

## TRANSFORMATION STRATEGY BRIEF

# A WORKERS + RESIDENTS FOCUSED DISTRICT

The Main Street program helps communities rebuild and preserve economic vitality in their historic and older downtowns and neighborhood commercial centers. The Main Street Approach consists of three essential, tightly integrated components:

1. **Identifying Community Vision** for success on Main Street that is rooted in a solid understanding of the **market realities** of the district, and is informed by broad community engagement
2. **Identification and Implementation of Transformation Strategies** that incrementally create positive changes in the district's economy, and are implemented through a comprehensive, simultaneous activity in four broad areas of work that, together, constitute the **"Four Points."** In brief:
  - › **Design** encompasses improving all the physical and visual aspects of the district.
  - › **Organization** involves cultivating partnerships and resources for the district.
  - › **Promotion** is about marketing the district.
  - › **Economic Vitality** focuses on capital, incentives, and other economic and financial tools for business and property development.

This section introduces the concept of the three components of the new Main Street Approach: community vision and market understanding, "Transformation Strategies" and how they use the Four-Point framework, and outcome measurement.

Transformation Strategies guide the direction of the district's revitalization or management initiative, and the Four Points provide a framework for putting these strategies into action.

3. **Impact and Measurement** of both qualitative and quantitative outcomes.

It then introduces "Catalyst Strategies," explaining that Catalyst Strategies are intended to help revitalization organizations get started with the transformation process.

This profile describes a "Catalyst Strategy" focusing on meeting the needs of people who live or work in and near a Main Street commercial district. This Strategy Brief is meant to help you determine if a strategy targeting workers and residents is right for your district.



This strategy, like all of the Catalyst Strategies, is generic in the sense that it can be applied to a variety of places and economic circumstances. This strategy is meant to be used as a starting point. You can (and should) refine it over time, as you engage more with community stakeholders and learn more about your district's economy. The Catalyst Strategies are designed to help you quickly identify which ones are a good fit (using data you may already have or can readily gather) and then *get started*.

### THE “WORKERS + RESIDENTS” STRATEGY IN A NUTSHELL

The next section provides an overview of this particular Catalyst Strategy.

People who work in a commercial district are likely to need a variety of convenience items, from groceries to carry-out meals and from small hardware items to greeting cards. They also need easy access to personal and professional services, such as hair care, daycare, and medical services. And, they are most likely to need things before work, at lunchtime, and immediately after work as they are leaving for home. People who live in and near the district need very similar products and services – but they are more likely to shop in the evenings and on weekends.

The Workers + Residents Starter Strategy helps your revitalization program capitalize on these two important “captive” customer groups – and helps you meet more of their needs, making the district an even more appealing place for people to live and work.

To maximize this strategy's success, you will need to learn a bit about the characteristics and work and shopping habits of the district's workers and residents. Marketing activities will then need to be geared towards their needs and interests and scheduled during times that work best for them. And, the range of products and services that are available in the district should be expanded, either by adding new product lines to existing businesses or by developing new businesses (or both).

### WHO ARE THE CUSTOMERS FOR THIS STRATEGY?

People who work and live in and near the district are likely to encompass a very wide range of demographic characteristics – different ages, different household incomes, different education levels, different ethnicities – and to represent a wide range of

It includes some information about who the customers are for this strategy ...



shopping habits and preferences. But they almost always share a desire to have convenient access to daily staples, to have comfortable and convenient places to dine with friends and family, and to feel comfortable in and proud of the district in which they spend so much time. Just as customer profiles vary, the price points of the products and services they purchase can vary widely, too – though most businesses that offer *convenience* products and services to workers and residents fall into a middle price-point range.

### **BENEFITS AND TRADE-OFFS**

Tapping into the district’s “captive market” of potential customers and expanding sales and services for them helps create a self-sustaining economic ecosystem in the district. It provides opportunities for existing businesses to expand sales by adding new products and services for workers and nearby residents and by offering deliveries within the district. It often generates new demand for housing in and near the district, as workers increasingly see benefits in living within easy walking distance of their work places. And, because workers and residents are a captive market, they do not require extra parking spaces.

... and about some of the key benefits and trade-offs of this strategy.

There are some trade-offs in pursuing a Workers + Residents strategy, albeit relatively minor ones. For instance, business owners must be flexible enough with their hours to be open during the times most convenient for workers and residents. And, because it is unlikely that independently owned businesses can match the prices for daily staples offered by chain grocers and big-box stores or differentiate themselves on pricing from other nearby shopping venues, businesses will need to be diligent in promoting their superior convenience, customer and product knowledge, and friendliness.

The next section asks a few questions to help local program participants evaluate whether this Catalyst Strategy might be a good fit for the district. It draws on their intuitive knowledge of the district, and where possible should be supplemented with at least some market research.

### **IS THIS STRATEGY A GOOD FIT FOR YOUR DISTRICT?**

The following questions are intended to help "take the temperature" of your commercial district. In order to answer them, you simply need to be familiar with your district and its environs. The questions are qualitative, and we want



you to answer them in the context of what you already know. We are asking you to simply mark the scale in order to help you visualize whether your district is well-suited for pursuing a Workers + Residents strategy. Remember, this strategy is a starting point. As you do more research and community engagement in the future, you can make it more nuanced and focused.

Knowing what you already know about your district, how would you rate it according to each of these characteristics?

COLD	HOT
← Starting a new market niche	Building on an existing niche or cluster →
<input type="text"/>	
← The potential market is relatively small	The potential market is relatively large →
<input type="text"/>	
← The district has many competitors in this	The district has few competitors in this →
<input type="text"/>	
← We would need new buildings/infrastructure	Our existing buildings/infrastructure are a good fit →
<input type="text"/>	
← Store hours are a poor fit for workers' needs	Store hours are a good fit for workers' needs →
<input type="text"/>	
← Store hours are a poor fit for residents' needs	Store hours are a good fit for residents' needs →
<input type="text"/>	

If most of your scores fall into the right-hand side of the scoring boxes, this strategy is likely to be a good fit for your district. However, a low score for one or more of these characteristics does not necessarily mean that this strategy isn't an option for your district; it might simply mean that your organization and its partners might need to work a little harder to make this strategy succeed.

## INFORMATION YOU'LL NEED FOR THIS STRATEGY

Next, the Strategy Brief lists information that will be needed to implement this strategy and measure its progress.

As we mentioned earlier, the important thing about a Starter Strategy is to *get started*. There are a few market research tasks you should begin now. These include:

- ▶ **Inventory:** You will need an inventory of all existing businesses in the district. Businesses that offer products and services of particular interest to district workers and residents should be grouped.
- ▶ **Customers:** You will need to have some basic demographic information about the people who work and live in and near the district. Ideally, you should have information about:
  - ▶ How many people work within the district
  - ▶ How many people live in and near the district
  - ▶ The primary demographic characteristics of the district's workers and residents (in particular, their ages, household income, household size, education levels, home owner/renter)
  - ▶ The days of the week and hours of the day when it is most convenient for district residents and workers to shop
- ▶ **Competition:** Are there other commercial centers or commercial strips nearby that serve the district's workers and residents? Inventory and map these competitive commercial centers. Begin to articulate how your Workers + Residents strategy is (or can be) differentiated from competing commercial areas. You should also carefully articulate the threats posed by these competing areas.
- ▶ **Potential barriers:** Identify potential barriers to pursuing this strategy. Barriers might exist across a range of issues, including economic, regulatory, public perception, physical facilities (e.g., storefront sizes, quality of public spaces, lighting, or lack of loading docks), and others.



You can find out the number of people who work in the district by simply asking business owners/managers how many people they employ. At the same time, ask them about their work and lunch break hours. And, ask them which of their products and services the district's workers already buy.

For residents, you can count the number of housing units in and adjacent to the district. Then, multiply the number of housing units by the average number of people per household in your community (you can get this number from the US Census Bureau's website).

You will need to gather other information by conducting surveys and/or focus groups with workers and residents. We recommend conducting surveys or focus groups every few years, asking the same questions, in order to measure progress.

### **TAKING THE NEXT STEP**

Over the next year or two, after your Catalyst Strategy has begun taking root, you should plan to conduct additional research that can help you refine the strategy and adapt it more precisely to your district's particular circumstances. You may tackle some aspects of the market research on your own, or you may choose to engage professional assistance. Whichever route you choose, this additional research should help you answer questions like these:

The Catalyst Strategies are not intended to provide permanent solutions for guiding district transformation, just for getting started – so the Strategy Briefs include some suggestions for more detailed research within the next few years.

- › How much do the district's workers and residents spend on various products and services, based on their demographic characteristics?
- › Which products and services are currently purchased most often within the district by the district's workers and residents? How has that changed over the past several years?
- › What additional products and services might the district's workers and residents purchase, if they were available?

## **SAMPLE ACTIVITIES**

To illustrate how the Catalyst Strategies work with the Four-Point framework, the Strategy Briefs include some sample activities in each of the four categories.

There are many different activities that your organization and its partners might do to successfully implement this strategy. The activities you choose should address problems and opportunities that are specific to your district.

Start with activities that are relatively easy, then gradually tackle more challenging ones. Be sure to include activities in all Four Points of the Main Street Approach; this is essential!

Depending how you have chosen to organize your Main Street initiative and the resources in your community, projects and activities may be carried out by a single committee, by staff specialists, by a consortium of partner organizations, or by some combination of these. (For more information, see the Technical Bulletin, "[Organizing Your Main Street to Transform Your Community]")

Here are some examples:

### Sample Design activities:

- ▶ Create comfortable public lunchtime and weekend gathering places.
- ▶ Change storefront window displays at least monthly. The people who live and work near the district see its window displays almost every day. Keeping window displays fresh helps keep them engaged.
- ▶ Ensure that the pathways that workers and residents most frequently use to and within the district are attractive, appealing, safe, and well maintained.
- ▶ Work with property owners to identify opportunities to create upper-floor apartments and condominiums for district workers and others interested in living in the district.

Sample Organization activities:

- › Include one or more district workers and residents on the revitalization organization’s board of directors and in its committees.
- › Build and strengthen partnerships with nearby neighborhood associations.
- › Organize a series of “business after-hours” social events where district workers can meet one another and become more familiar with district businesses.

Sample Promotion activities:

- › Schedule promotional activities during lunchtime and immediately after work, when the district’s workers are most likely to be available.
- › Offer store deliveries to the district’s workers and residents.
- › Offer a district-wide customer loyalty program for workers and residents.

Sample Economic Vitality activities:

- › Add needed product lines to existing businesses.
- › Create and offer incentives to encourage district workers to live in and near the district.
- › Create and offer incentives to encourage district property owners to convert unused or underused upper-floor space to apartments or condominiums.



- › Periodically survey district workers and residents and/or conduct focus groups with them to learn about their shopping habits, the things they like (and don't like) about the district.

## POTENTIAL PRODUCTS AND SERVICES

Adding new products and services to your district's offerings does not necessarily mean adding new, individual businesses. You might not have the market to support a whole new hardware store, for example, but you might have enough to add some new product lines to an existing business.

The Briefs also include an illustrative list of products and services that support this Strategy. These are things that might be added to an existing business's offerings – or, if there is enough market demand, might support a new business.

This list is not exhaustive, but illustrates the range of products and services that might be part of in the Workers + Residents strategy. Product and service lines that might appeal to people who live and/or work in the district include:

- › Groceries
- › Quick service restaurant meals
- › Sit-down restaurant meals
- › Prepared, take-home dinners
- › Pharmaceuticals
- › Health and beauty products
- › Office supplies
- › Coffee shops
- › Pizza
- › Greeting cards
- › Flowers and house plants
- › Gifts
- › Daycare
- › Dry cleaners
- › Snacks
- › Postal/pack-and-ship service
- › Medical and dental services
- › Accounting and tax services
- › Banking services
- › Small hardware items
- › Gas stations
- › Auto repair
- › Hair care
- › Bars

## MEASURING PROGRESS

- ▶ Conduct surveys of district workers and district residents when you implement this strategy – then, conduct surveys one year, three years, and five years later, asking the same questions. Are more of them shopping in the district? Are their impressions and perceptions of the district improving? Your surveys should include questions in four specific categories:
  - Attitudes and perceptions about the district
  - Workers’ and residents’ current shopping habits
  - Additional products and services workers and residents would like to be able to buy within the district
  - Demographic characteristics of the workers and residents participating in the survey
- ▶ Ask the owners or managers of a representative sample of the district’s businesses to keep an informal tally of the numbers of district workers and residents who shop there and of how much they spend. Are the numbers increasing?
- ▶ Choose several random spots in the district and count the number of people who walk by during the 30 minutes before most businesses open, during lunch hour, and during the 30 minutes after most businesses close. Do this at least twice a year. Are the numbers increasing?

The Catalyst Strategy Briefs conclude with some suggestions for measuring progress and gauging the impact, over time, of each Strategy.