

Magazine Articles

Tools to Strengthen and Retain Downtown Businesses

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Making Downtown Renaissance a Reality

Communities across the country are placing renewed emphasis on strengthening their Downtowns. And, a high priority item in most of these efforts is to strengthen and retain Downtown's current businesses. Local elected officials and Downtown leaders have found that a number of tools are helpful — and necessary — for these business retention efforts to succeed. A sampling of effective tools is shown below.

Market Analysis

A realistic, professional analysis of Downtown's retail and office potential is needed in every Downtown. The market analysis should quantify Downtown's potential as a location for specific types of retail and office businesses — and define economic niches which can be created in Downtown. Having this information allows all of Downtown's business owners to understand what Downtown's unique economic "theme" can and should be. And, this information should be used to help business owners better serve the marketplace.

One-On-Ones

Throughout the nation, the most successful business retention technique is "one-on-one counseling." Widely used in Downtowns and other types of commercial developments — such as shopping malls and retail strip centers — it involves offering individual business owners the opportunity to meet privately — and on an on-going basis, if they'd like — with someone who can advise them on how to grow their business.

The goal of the counseling should be to give Downtown's existing business owners the first chance to take advantage of the opportunities identified in the market analysis. The topics usually covered in the counseling sessions include how business owners can create a unique niche that allows them to successfully attract additional customers; appropriate ways of improving and maintaining the building in which the business is located; and techniques the business owner might use to more effectively market the business.

In-Store Diversification

Based on the market analysis, Downtown business owners can consider strengthening their business through diversification — experimenting with new products within the walls of their existing businesses. Owners can accomplish this by allotting a small percentage of their "buy budget" for buying new lines/products when they go to market. Care should be taken, however, to ensure that the new items are of the types recommended in the market analysis and that their customer appeal is tracked.

Business Hours

Downtown business hours must be "customer-driven" rather than owner-driven. This means Downtown businesses must be open when customers want to — and do — shop rather than the hours owners want to work. The market analysis will help identify

Downtown's potential customer groups. With this information, business owners can determine the best customer-driven hours for their business. Often, owners find they can keep "smarter" hours instead of longer hours, often by shifting hours — i.e., opening later in the mornings and being open later into the evenings.

Window Shopping

Many Downtown business owners have discovered an easy, inexpensive way to lure customers to their businesses — keeping their display window lights on long into the night. This encourages pedestrian strolling, window shopping — and pedestrians return during business hours as customers. By keeping their lights on until at least 11 PM, business owners realize an increase in customer traffic and the whole Downtown is made to feel festive and safer at night.

Service

The most successful Downtown business owners nationwide have found that customer service is extremely important in growing their businesses. Regardless of type, every Downtown business must offer superb and memorable service to each and every patron. This is a low-cost/high-reward tool for developing a loyal customer base. Because it is so important, Chambers of Commerce and Downtown organizations often offer customer service seminars for Downtown business owners and their front-line employees.

Municipal Services

While many of the tools shown above entail self-help by business owners, municipalities also play a strong role in a Downtown's ability to keep and grow its existing businesses. Specifically, local government must do those things which only it can do well — keep Downtown's public improvements attractive and well-maintained; keep public spaces clean; ensure Downtown is safe; and be pro-business and pro-quality in working with Downtown business owners, property owners, and investors.

About the Authors

Doyle G. Hyett and Dolores P. Palma are the founders of Hyett Palma, Inc., the only national consulting firm specializing in the economic renaissance of Downtowns. For more information about HyettPalma, please visit www.hyettpalma.com.

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