MAIN STREET AMERICA®

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COMMERCIAL DISTRICT DESIGN: COVID-19 RESPONSE AND MANAGEMENT

Small businesses have long contended with the shift toward online retail shopping versus in-person, bricks-and-mortar sales. According to the U.S. Department of Commerce, online sales (as a percentage of all retail sales) have been increasing every quarter for the past ten years. And, in the wake of COVID-19, potential customers are increasingly using online sales platforms for goods not previously purchased frequently online, such as groceries and household supplies. Small businesses in commercial districts have some advantages, though, as these districts often offer additional elements shoppers actively seek: a sense of place, shopping *experiences*, and walkable environments. As longtime centers of small business innovation, commercial districts across the country have developed additional creative approaches to place-based entrepreneurship and engagement, such as pop-up stores, and food trucks. Additionally, many small businesses are now incorporating e-commerce platforms into their business model, making it easier for customers to access their stores and purchase goods. This in-person/online hybrid allows them to benefit from technology, and puts small business in a better position to weather COVID-19 impacts.

As commercial districts respond to COVID-19 impacts, continued innovation will be crucial to ensure that small businesses survive, burgeoning entrepreneurs thrive, and workers, customers, and visitors remain safe and healthy. This brief will explore creative approaches to small business and commercial district recovery, such as e-commerce and adaptive use of spaces, as key methods in sustainable COVID-19 response and management.

Benefits of E-Commerce and Adaptive Use of Spaces

Innovative small business strategies in commercial districts, such as e-commerce and adaptive use of spaces, have clear economic impacts, while contributing to community building, and public health and safety.

Economic Impact

- Offers additional platforms through which customers can purchase goods
- Potentially lowers rental costs for new entrepreneurs in the community by creating additional, non-traditional spaces (e.g. temporary storefronts, mobile retail, micro-retail in shipping containers, and co-location)
- Increases opportunities for (physically distanced) customer interaction

Community Building

- Offers customers personalized shopping and engagement experiences in addition to goods
- Creates options for multi-business collaboration and shared revenue (e.g. pop-ups in larger stores, food truck hubs, and co-location)
- Supports new local entrepreneurs by offering iterative approaches to business growth

Public Health and Safety

- Can create space to allow physical distancing for workers and customers
- Offers the convenience of shopping online for those who cannot, or prefer to not leave their homes

E-commerce refers to online platforms through which customers can purchase goods, products, and services.

Adaptive use of spaces refers to the redesign of existing spaces to facilitate a new use. Examples include vacant storefronts that are temporarily used for pop-up stores, and preowned vehicles that are converted to food trucks or mobile retail stores.

Considerations for Success

When taking steps to facilitate e-commerce and adaptive use of spaces, local leaders (planners, business improvement district and Chambers of Commerce staff, Main Street managers, academics, and other community leaders) should prioritize several overarching considerations for success:

• **Strive for inclusive community engagement.** Local leaders can survey community members to learn more about their spending habits and preferences—particularly as they change in response to COVID-19. Additionally, leaders can use crowd-sourcing techniques to engage local residents in identifying ways to bring new goods and services to the community. Encouraging community members to "shop local" and support small businesses and entrepreneurs, and help their commercial districts maintain economic vitality, can also be incredibly effective.

Outreach to businesses on e-commerce can also help local leaders find gaps in high-speed internet access in the community. Expansion to online platforms can only be effective with reliable access to quality, high-speed broadband, and a better understanding of the existing conditions can help local leaders advocate for better service.

While the choice and implementation of these strategies is ultimately up to the business owner, local leaders can also help businesses and entrepreneurs understand potential economic opportunities, identify local resources, and learn more about consumer preferences in their communities. For example, local leaders can connect businesses with e-commerce platforms to those without an online presence to share best practices and learnings.

• **Foster collaboration across businesses.** Local leaders have a role in helping small businesses and entrepreneurs capitalize on opportunities to collaborate, co-locate, and creatively use public and private commercial spaces. For example, a commercial district may have a bike shop, where now, due to new social distancing requirements, customers line up outside for services. A local leader may know of an entrepreneur trying to get a new coffee business launched. With an eye toward collaboration, the local leader could encourage the bike shop owner

and their cart or stand outside of the bike shop. *See the Example section in this Brief for a case study that highlights collaboration and creative use of space.*

• **Consider the Lighter, Quicker, Cheaper (LQC) Approach.** Many adaptive business approaches benefit from quick activation and ongoing iteration, as new techniques are tested and adjusted towards success. Similar to Brief #3 on Infrastructure, the LQC approach also applies to small business recovery strategies, particularly in the context of COVID-19 response, which may require a series of both temporary and permanent interventions. For example, a business could deploy temporary seating using milk-crates or haybales that proves to be successful in attracting and retaining customers—which is later converted into more permanent seating. LQC also opens up possibilities for uses of public space that support business owners' economic recovery, as explored in Briefs #1 and #2.

• **Evaluate the impact.** As always, local leaders should encourage businesses to evaluate any strategies they employed to determine what worked or didn't work and why. Assessing the impacts and benefits (or lack thereof) can help local leaders in the future advocate for code reform and policy changes.

Local leaders can help entrepreneurs by connecting them to unique spaces to launch their business.

Adaptations for COVID-19

Main Streets across the country have long been centers of innovation. Since the proliferation of shopping malls and big box stores that started in the 1970s, community leaders and small business owners have rallied together to attract customers, new local businesses, and shoppers back downtown by leveraging their own unique, place-based assets, and implementing creative approaches to retail and services. Today, there is widespread agreement that "shop local" mantra carries important economic and community value, and that the unique spaces and local culture that Main Street commercial districts support are critical.

The inherent drive toward innovation and adaptation found among many Main Street commercial district leaders and business owners serves communities well—particularly in responding to COVID-19. In Main Street districts, necessity has always been the mother of invention, and in this time of response and recovery, that has never been more important.

Example

Florence, South Carolina (pop. 37,625)

Soon after COVID-19 temporarily closed businesses downtown, the City of Florence and its Main Street program, Florence Downtown, sprung into action to help their small businesses respond and recover. Their response has been diverse and multi-level, offering small businesses an e-commerce technical assistance program, a grant program, and guidance for adaptive use of spaces.

To help their small businesses develop e-commerce platforms, the Main Street staff perform an audit with the business owners to identify their e-commerce goals, offer options for and guidance on their site or platform, and assist in setting up any additional baseline functions (e.g. shipping or points-of-sale) they may need. For those businesses who opted not to develop a full e-commerce platform, City staff provide alternative training and guidance on e-gift card launches, website checklists and best practices, and sharing of partner information on essential website elements. Though this training was created in response to COVID-19, the City plans to continue to offer this service free-of-charge as part of their menu of offerings, which include marketing training, business plan assistance, and social media training.

Through their Downtown Florence COVID-19 Small Business Recovery Grant, the City and Main Street staff pooled their fiscal year surplus funds to offer re-opening grants ($2,500-$5,000) to small businesses in three categories: restaurants, retail, and close-contact service providers.

Flow Town Yoga now holds classes outdoors in public spaces across downtown Florence (c) Florence Downtown

Finally, the City has been actively supporting small businesses by adaptively using public space. A downtown yoga studio was too small to meet the state's social distancing recommendations, so City staff worked with the owner to activate various public spaces downtown to hold classes outdoors. The city has also designated curbside pick-up zones for retail and take-out food purchases, drafted sidewalk dining policies and permitting procedures, and offered (virtual) guidance on how to arrange stores to maximize social distancing.

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Further Reading

Benefits

• Community Building: *The Future Of The Shopping Mall Is Not About Shopping*, *More Adults Over 50 Starting Their Own Businesses*, and *Entrepreneurial Ecosystems and the Role of Commercial Districts*

• Economic Impact: *How Rural Economies Can Leverage the Rise in Remote Work*, *Why Food Trucks Locate Where They Do*, and *The Amazon Effect: How E-commerce Will Change in 2019 and Beyond.*

• Health: *Cashier-less Stores and Pop-Up Shops: Food Retail Responds To COVID-19*

General

• *COVID-19's Effect on Jobs at Small Businesses in the United States*, McKinsey & Company.

• *COVID-19 Likely to Result in Increased Entrepreneurship Rates*, Main Street America

• *The Future of Retail: Creative Approaches to Place-Based Entrepreneurship*, Main Street America.

Contact us

For more information or for more guidance on how to implement an open streets program, reach out to:

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About the Series: Produced in collaboration between Main Street America and AARP Livable Communities, *Commercial District Design: COVID-19 Response and Management* is a series of design-centered briefs developed to equip community leaders with safe, equitable, age-friendly strategies to support economic recovery from the impacts of COVID-19.