

Old Fashioned Values: How Downtowns Can Compete with the Giants—and Win!

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Making Downtown Renaissance a Reality

In retail business today, the stakes are high. With more than \$2,000,000,000,000—that's two trillion dollars!—spent on retail products in this nation each year, this segment of our economy is critical to the well-being of every city and town in America.

Downtowns, once the centers of retail trade in their communities, have lost a significant portion of America's retail sales over the past four decades. With two trillion dollars at stake, we must ask, "How can our downtowns and their businesses once again capture a respectable share of the retail dollars spent in this country?"

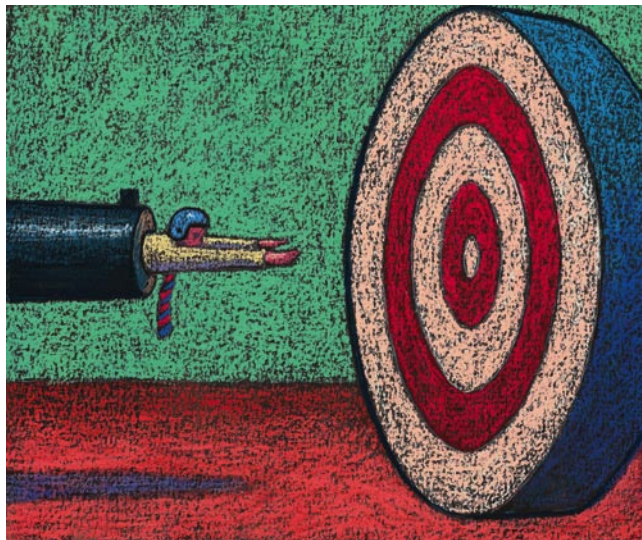
For the past four decades, most of America's downtowns have become lost and misguided. Instead of evolving with the times while continuing to do what they do best, downtowns lost ground by trying to be just like the competition. Downtown pedestrian malls were built, large downtown parking lots were constructed, and downtown business owners offered the same retail goods found at local malls. And all this was done only to learn a hard lesson: **Downtowns and their businesses can't compete head-on with the giants and win.**

Instead, downtowns that have made successful comebacks have done so by returning to old-fashioned values—those things that downtown and its businesses can do better than the retail giants.

Create Your Niche

Rather than waiting for the market to find them, the most successful downtowns and downtown business owners are those making a concerted effort to understand and respond to their markets. Through solid and pragmatic market research, these downtowns and their business owners purposely determine:

- Which customer groups to target;
- What types of businesses are most likely to attract these customers; and
- How to create distinct districts within downtown that offer customers variety and convenience—therefore turning their targeted customers into repeat customers.



It all boils down to creating a clear market niche for downtown and its businesses, knowing that market niche means understanding your "reason for being." After all, if downtown and its retail businesses don't know their reason for being—what makes them stand out from the giants in a crowded marketplace—how can they attract customers?

Adjust Your Attitude

Attitude, some say, accounts for the success or failure of 75 percent of all downtown revitalization efforts today. And the most successful downtown enhancement efforts and businesses are those that take on a positive, proactive, pro-customer attitude. On the part of downtown business owners, being pro-customer includes:

- Keeping store hours that are convenient for the customer, as opposed to hours that are most convenient for the owner;
- Hiring staff who are "people" people, rather than those who are just salespeople— understanding that helping customers solve their shopping problems will make them loyal, repeat customers; and
- Seeing that business owners and their employees don't monopolize on-street parking spaces that are most convenient for their customers. Instead, pro-customer

owners require their employees to leave these spaces free for customers, and they also follow this policy themselves.

In terms of an overall downtown enhancement effort, being positive and proactive requires that a “community attitude” be created. This entails defining an image for downtown—how it will look, the economic roles it will play, who it will serve, and what it will be known for in five to seven years—that is both preferred by the community and economically viable. Then, a “can-do” attitude must be adopted by leaders in both the private and public sectors. And these leaders must make the long-term commitment to work together in order to attain the preferred and economically feasible downtown image.

Return to Tradition

For the most part, Mom and Pop small business owners have been, and still are, the backbone of most American downtowns. At the height of downtown’s success, these family businesses were operated with certain traditions that added to their success. Those traditions, largely forgotten by many of today’s small retail business owners, include the following:

- **Quality for Money** — Smart Mom and Pop businesses know that “value” does not mean “cheap.” Instead, it means offering customers quality products at reasonable prices so they feel they’re getting good value for their money.
- **Dependability** — Being present in their stores, Mom and Pops can offer their customers a dependability and peace of mind not commonly offered by chain stores. Mom and Pop’s customers can rely on these owners to remember them, take care of them, and stand behind their products after the sale is made.
- **Personalized Customer Service** — By their very nature as small business owners, Mom and Pops can provide a level of personalized customer service that chains are hard pressed to achieve. Personalized customer service includes taking the time to get to know your customers and their preferences, finding ways to make it easy and convenient for them to shop with you, and taking actions that ensure their long-term satisfaction with your business and its products.

To Your Own History Be True

Many cities have found that their downtown’s older buildings—the historic and architectural elements of their past—are assets that can be leveraged to build their economic futures. These cities save, preserve, use—and find new uses for—their old downtown buildings as a way of creating downtown’s unique and memorable niche. In fact,

using history to attract investors to downtown has been so successful that some of the most valuable commercial real estate in the country today is rehabilitated, historic downtown buildings.

So, Can Downtowns Successfully Compete with the Giants?

The answer to this question is an emphatic YES! However, rather than seeing themselves as competing, successful downtowns view their quest as determining how to best coexist with retail’s giants. And the most successful downtown business owners understand that the “competition” does not stand still but is ever-changing—and that they must evolve, too, or customers will pass them by. ★

Doyle G. Hyett and Dolores Palma are the founders of HyettPalma, Inc., the only national consulting firm specializing in the economic renaissance of downtowns and older business districts. Since being formed in 1985, the firm’s work has restored confidence and stimulated private investment in hundreds of downtowns throughout all 50 states. In addition, HyettPalma provides all technical assistance for the America Downtown® program (offered by the National League of Cities) and the Indiana Downtown® program (offered by the Indiana Association of Cities and Towns). For more information about the firm, visit www.hyettpalma.com.

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