Salem Downtown Retail Action Plan

Report to

Salem Chamber of Commerce
Salem City Planning and Community Development Department
Salem Main Streets
Salem Partnership
Salem Redevelopment Authority

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KARL F. SEIDMAN | CONSULTING SERVICES

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Executive Summary

The City of Salem contracted with Karl F. Seidman Consulting Services to revisit and update the 2007 Downtown Retail Strategy and Action Plan with a focus on formulating an action plan to sustain, strengthen and expand the downtown retail sector. From July to December 2017, the consultant worked with the City of Salem's Planning and Community Development Department and a committee of downtown stakeholders to complete an assessment of the 2007 Downtown Retail Strategy and Action Plan, analyze demographic and economic trends, review national retail trends, conduct case studies of downtown revitalization initiatives in three comparable cities and prepare an updated Downtown Retail Action Plan.

Key Findings Informing the Action Plan

- There has been considerable progress and success with the 2007 Action Plan but challenges remain around working with property owners to recruit and lease to businesses, marketing downtown to trade area residents, and the capacity of Salem Main Streets and other partners to sustain and expand downtown events and initiatives;
- Local entrepreneurs are increasingly important to downtown retailing and an expanded focus and new strategies and resources are needed to nurture this driver of new retail businesses;
- Expanded training, technical assistance, and technology adoption by local independent stores will be important to help stores compete and survive with the growing local and online competition and the introduction of sophisticated marketing, customer retention, and customer service technologies by national and large stores;
- Salem's successful dining scene and strong events program provide an opportunity to support retailers and increase local shopping;
- Local stores and the overall downtown can focus on experience-oriented stores and shopping and strong customer service to take advantage of retail trends and enhance Salem's market position as a unique retail destination; and
- Salem's downtown stakeholders will need to test, learn from, and adapt their strategies, tools and activities over time to ensure that they are applying effective approaches to advance their goals and impact.

Downtown Retail Action Plan

A four part action plan was formulated in collaboration with downtown Salem stakeholders to address key issues and opportunities facing Salem' downtown retail base and support and strengthen it future development.

Business Recruitment and Property Leasing

The focus of the first strategy is to organize downtown Salem stakeholders to work with property owners to fill vacancies in existing buildings and lease-up ground floor space in new projects with retailers that strengthen downtown as a shopping destination. This strategy entails the following action steps:

- Create a downtown leasing and recruitment team;

- Conduct outreach and strengthen relationships with property owners and commercial real estate brokers;
- Prepare updated materials that present the value proposition and case for locating a retail business in downtown Salem;
- Activate the team when vacancies emerge and work to recruit new retail tenants and identify existing Salem businesses or entrepreneurs to move into vacant space;
- Work with the developers for new projects to create a plan to bring new retail stores into their developments; and
- Provide loans and/or incentives to encourage property owners to sub-divide larger retail spaces into smaller units or to create a new space format with several small retail tenants.

Grow Your Own Business Development

This strategy builds on the role of local entrepreneurs in opening new retail stores and expands resources to incubate new retailers and build the knowledge, skills and capacity of new and existing retail businesses. Key action items include:

- Continue to support the evolution of Artists' Row as a formal "incubator" for artisans, craftspeople, and makers to become successful entrepreneurs;
- Establish a retail incubator that provides several small spaces for entrepreneurs to test and develop a first retail store before leasing space to establish a more permanent store;
- Survey existing downtown retailers on their current capacity and their interest in receiving training and/or technical assistance;
- Use the survey results to create training workshops and programs to strengthen retailers' knowledge and skills around specific topics, issues and needs;
- Create a business ambassador program whereby volunteers visit downtown businesses regularly to identify trends, concerns, and opportunities that can be addressed with additional training, technical assistance and capacity building;
- Work with Salem State University to create internships and/or a project-based learning program for students to work with retail businesses to develop and implement plans around key business needs; and
- Create a small grant program for improvements, equipment, or other start-up costs to open a new downtown business and help existing businesses implement targeted improvements.

Retail Marketing and Market Development

Through this marketing strategy, downtown stakeholders will build consumer awareness of Salem's retail offerings and the benefits of shopping downtown, leverage its position as a dining destination to expand retail sales and create the capacity to test, learn and adapt effective marketing approaches over time. Implementation actions include:

- Establish a Salem buy local campaign and branding to promote and encourage local shopping and link this campaign with new Destination Salem branding;
- Continue to develop and test promotions to link dining and shopping in conjunction with stores staying open late;

- Work with store owners to create a data tracking system to help assess the impact of specific marking, promotions, technical assistance/training activities, and overall retail performance; and
- Develop and test targeted marketing campaigns and promotions for different customer segments to promote awareness of downtown as a shopping destination, increase retail sales, and encourage downtown customer loyalty among different types of customers.

Capacity Building and Placemaking

The final part of the Action Plan addresses formal coordination among downtown stakeholders and expanding Salem Main Streets' capacity to support effective implementation. Other recommendations strengthen the area outside the Peabody Essex Museum as a node for pedestrian-oriented activities and seek to create a state-level initiative to support local retailers:

- Establish a Main Street Partners Program to raise contributions from larger property owners, banks, businesses and non-profit institutions to add staff and program capacity at Salem Main Streets with the goal of raising $50,000 per year to support a new part-time staff person;
- Organize a downtown leadership committee of key stakeholders to coordinate and implement the Acton Plan and other initiatives, track their impact, and adapt them over time;
- Prepare a strategic events plan for Salem Main Streets and downtown Salem to determine the most critical events to sustain and share responsibility for event management across organizations;
- Work with the Peabody Essex Museum (PEM) and other key property owners to activate the plaza outside the museum and make it a stronger center of pedestrian activity to enhance the environment for retail stores along the Essex Mall; and
- Advocate for a state-funded small business retail technology initiative to help small and medium-sized retailers adopt and effectively use new technology.

Introduction

Over the past ten years, Salem has implemented the Downtown Action Plan formulated in 2007, which strengthened the downtown as a dining and entertainment center. However, Salem still faces challenges in sustaining and growing the ground floor retail component of its downtown. With ten years of experience advancing its downtown retail strategy and major changes to the retail landscape over this period, the City of Salem contracted with Karl F. Seidman Consulting Services to revisit and update the 2007 strategy with a focus on formulating an action plan to sustain, strengthen and expand the downtown retail sector.

Over the past six months, the consultant worked with the City of Salem's Planning and Community Development Department and a committee of downtown stakeholders to prepare an updated Downtown Retail Action Plan. This process included the following steps:

- **Assessing the 2007 Strategy and Action Plan** through a meeting with downtown stakeholders to discuss the successes, challenges and status of the 2007 plan, a review of reports, documents, and other materials on its implementation, outcomes and challenges, and interviews with implementation partners;
- **Reviewing recent plans and analyzing economic and demographic trends that impact downtown retail opportunities.** This step included analyses of US census data on demographic trends for the downtown Salem Market Area and secondary data on retail business and employment trends for cities and towns within the Salem Market area and interviews with commercial brokers, retail developers, and new downtown retailers;
- **Analyzing key national retail trends and their implications for Salem** from a review of reports and industry press on retail trends, emerging developments and successful retail business practices;
- **Identifying lessons from comparable urban downtowns** by selecting three comparable cities and interviewing practitioners on their downtown retail initiatives and results; and
- **Formulating an updated Downtown Retail Action Plan** in collaboration with Planning and Community Development Department staff, Salem Main Streets, implementation partner organizations and additional downtown stakeholders.

This report summarizes the research and findings from this work and presents the final Downtown Retail Action Plan.

Salem Action Plan Review, Business and Demographic Trends

To inform the new Downtown Retail Action Plan, the accomplishments and challenges from implementation of the 2007 Action Plan were assessed and recent trends in retail businesses and demographics for the downtown the Market Area were analyzed. This section presents the results of these analyses and the key issues and opportunities that emerge for Salem's future downtown retail development.

Review of 2007 Retail Action Plan

The completion of the Retail Action Plan in 2007 was an important milestone in Salem's work to promote and strengthen its downtown commercial district. As ten years has passed since the plan was completed, a review of the accomplishments, challenges and current status of the Action Plan was completed based on meetings and interviews with stakeholders and a review of recent annual reports for the Salem Redevelopment Authority (SRA) and Salem Main Streets (SMS). The main findings from this review include:

Successes

- The 2007 Action Plan was important in providing an action-oriented blueprint and specific roles for the City and other organizations involved in improving and promoting downtown Salem;
- A stronger set of organizations working together to improve downtown now exists;
- Salem implemented the vast majority of activities and projects in the Action Plan and has sustained ongoing efforts for several key components of the plan;
- Salem has established itself as a North Shore dining and entertainment destination with many new restaurants and the creation of a signature event and year-round calendar of events;
- Recognition of Downtown Salem as a dining and shopping destination has increased with active publicity, news release, marketing, and social media;
- Significant improvements have been made to the downtown customer and visitor experience through way finding signs, redesign of the Essex Street pedestrian mall, continued application of design guidelines and storefront improvements, and regular events; and
- Improvements and clarification to several City permitting processes have occurred with more liquor licenses, a streamlined process for permitting of signs, and other improvements.

Challenges

- A proactive and well-coordinated retail recruitment effort between property owners, Salem Main Streets, and the City Planning and Community Development Department does not exist and many property owners and businesses are not engaged. Coordination occurs to assist businesses that emerge but proactive efforts to identify and recruit new tenants are not occurring on a regular or coordinated basis. Limited vacancies, strong restaurant demand for space and some doubts about the effectiveness of recruitment

efforts contribute to this gap. On the other hand, there have been challenges in filling some recent vacancies and interest exists among some property owners for proactive leasing and recruitment efforts.

- Sustaining a strong downtown retail core and identity has been challenging with the closure of several pre-2007 and newer stores and the growth of restaurants. Several new stores have opened, largely driven by Salem-based or other local area entrepreneurs.
- Marketing and promotion has been the most challenging 2007 Action Plan strategy to implement. Several recommendations were implemented with little success or were deemed not worth pursuing by local retailers (night-time promotions, loyalty shopping program, and large employer marketing) and others have not been sustained (comprehensive downtown shopping/dining web site);
- Marketing and promoting downtown Salem as a shopping destination to trade area residents has been difficult for several reasons: (a) differences between visitor/tourism marketing and local consumer marketing (far more diffuse marketing channels exist for residents with more diverse market segments) make it difficult for Destination Salem to address both markets; (b) there is limited retailer engagement and support for special marketing, promotions, and related changes in practices (e.g., expanded store hours); and (c) limited staff and resources at Salem Main Streets to create and sustain local targeted marketing and promotions; and
- Limited staff capacity and funding combined with expanded downtown activities and initiatives constrain how many projects can be effectively implemented.

New and Emerging Issues

- Local entrepreneurs and start-ups appear to be a more important source of new retail in downtown Salem and were not a priority in the 2007 plan;
- Smaller retail spaces are more in demand and the supply of these spaces is limited; and
- Assistance and support to retain and improve existing retailers is a greater priority with the increased competition that retailers face given the pace of innovation in business management and retailing.

Retail Business and Employment Trends

An analysis of changes in retail business establishments and employment for Salem and its six-community trade area (Beverly, Danvers, Marblehead, Peabody, Salem and Swampscott) was conducted to identify "supply side" retail trends. This analysis used city and town-level data compiled from the unemployment insurance system[1]. Although this is the most comprehensive and timely source of municipal level business establishment data, a few limitations to the data exist: (1) data for Salem covers the entire city and not the Downtown alone; (2) there is incomplete data across all six cities and towns because data for some business categories is not disclosed for confidentially reasons; and (3) very small business may not be included if they do not have formal employees.

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[1] This data is also referred to as the Quarterly Census of Employment and Wages and the ES-202 Data Series.
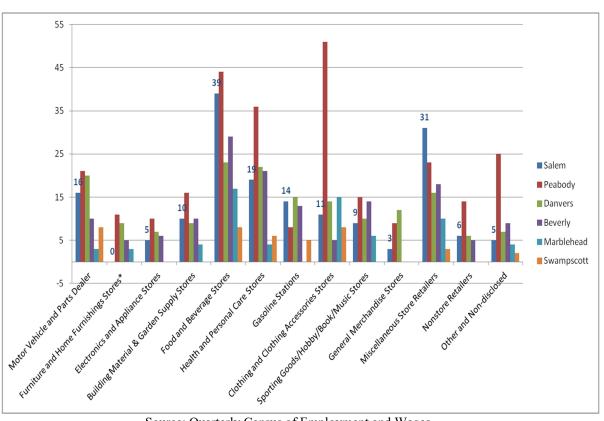
**Figure 1. Number of Stores by Category,
Six Communities in the Downtown Salem Retail Trade Area, 2016**

Source: Quarterly Census of Employment and Wages

Tables 1 and 2 summarize changes in the number of establishments and employment, respectively, by retail business type while Figure 1 shows the number of businesses in each category for 2016 across the six communities. Key findings and observations from this analysis include:

- The overall number of retail establishments in four communities changed very little, falling within a range of losing six to gaining seven, with an overall net growth in the trade area of four retail businesses;
- Peabody with its large malls is still the dominant retail center with 283 businesses (versus 168 in Salem and 170 in Danvers, the next largest communities), and has added 20 stores since 2007;
- Marblehead has seen a significant contraction in its retail base, declining by 23 stores;
- Food & Beverage Stores and Health & Personal Care Stores (primarily pharmacies) have been the growing retail categories, adding 21 and 39 net stores, respectively, in the trade area and with the number of stores increasing for every community except Marblehead;
- Clothing & Accessory Stores and Electronic & Appliance Stores have declined the most at -32 and -19, respectively for the trade area, and with declines in every community for which data was disclosed;

- Despite the relative stability in the number of stores, retail employment declined by 817 jobs across the trade area, and for every community except Peabody and Swampscott, which indicates that stores are operating with fewer employees;
- Salem fared reasonably well in terms of total stores, as it gained seven but its retail diversity has suffered with four categories experiencing a decline in the number of stores; and
- Some specialization among communities exists with Peabody having the largest number of Clothing & Accessory Stores, Danvers having the most general merchandise stores, and Salem concentrated in Miscellaneous Stores, likely reflecting its many gift, craft and souvenir stores.

**Table 1. Change in Number of Retail Establishments, 2007 to 2016
for Six Communities in the Downtown Salem Retail Trade Area**

Business Category	Salem	Peabody	Danvers	Beverly	Marblehead	Swampscott	Trade Area
Total Retail	7	20	0	6	-23	-6	4
Furniture & Home Furnishings Stores	ND	-1	-4	-5	-2	ND	-12
Electronics and Appliance Stores	-3	-9	-6	-4	ND	ND	-19
Food & Beverage Stores	8	9	3	2	-1	0	21
Grocery Stores	4	10	1	4	-2	1	18
Specialty Food Stores	ND	-3	3	2	ND	ND	
Beer, Wine, & Liquor Stores	2	2	-1	-2	0	ND	1
Health & Personal Care Stores	9	9	12	8	-2	3	39
Clothing & Accessories Stores	-2	-15	-5	-3	-7	0	-32
Clothing Stores	3	6	-2	ND	-7	0	0
Sporting Goods/Hobby/Book/Music Stores	-4	0	-5	4	-1	ND	-6
General Merchandise Stores	ND	3	4	ND	ND	ND	
Miscellaneous Store Retailers	-1	0	2	0	-6	-3	-8
Number with Increase	2	3	3	3	0	2	4
Number with Decrease	4	2	4	3	6	1	2

Source: Quarterly Census of Employment and Wages

**Table 2. Change in Employment for Retail Establishments, 2007 to 2016
for Six Communities in the Downtown Salem Retail Trade Area**

Business Category	Salem	Peabody	Danvers	Beverly	Marblehead	Swampscott	Trade Area
Total Retail	-285	316	-402	-323	-146	23	-817
Furniture & Home Furnishings Stores	ND	-50	-27	-20	-10	ND	-107
Electronics & Appliance Stores	-6	23	-206	-5	ND	ND	-194
Food and Beverage Stores	-12	46	-239	60	-24	22	-147
Grocery Stores	-37	50	-264	45	-45	19	-232
Specialty Food Stores	ND	-18	34	25	ND	ND	
Beer, Wine, and Liquor Stores	10	14	-9	-10	9	ND	14
Health & Personal Care Stores	1	134	13	56	-17	-23	164
Clothing & Accessories Stores	-22	99	-117	3	-48	-139	-224
Clothing Stores	-1	14	-115	8	-45	-111	-250
Sporting Goods/Hobby/Book/ Music Stores	-40	-69	-46	10	-12	ND	-157
General Merchandise Stores	ND	140	155	ND	ND	ND	
Miscellaneous Store Retailers	-28	-36	53	58	-15	16	48

Source: Quarterly Census of Employment and Wages

Table 3, using data compiled by Salem Main Streets, summarizes downtown business openings and closings from mid-2013 to August 2017. Downtown Salem experienced considerable turnover in these four years with 91 business openings and 76 closings for a net gain of 15 enterprises. Moreover, just over one-quarter (24) of the new businesses during this period had closed by August 2017. Highlights from these downtown business trends over this four-year period are:

- Restaurants generated the most openings (32) and closing (22) with a net gain of ten;
- For all retail stores, there was a net loss of 3 businesses, with 42 closings exceeding the 39 new stores that opened;
- Reflecting the Trade Area trend, clothing stores fared poorly with 10 stores closing compared to 6 openings for a net loss of 4 stores;
- Food, gift, home goods, and pet stores all had net gains of two stores with the most new openings for gift stores and home goods stores, at 8 and 5, respectively; and
- Antique Art, and Psychic stores, each had four stores that closed and only one or two new stores for net losses of two or three stores.

Table 3. Downtown Salem Business Openings and Closings July 2013 to August 2017

Business Type	Opened Since July 2013	Closed Since July 2013	Net Change
Accommodation	1	0	1
Attraction	1	1	0
Government	1	0	1
Nonprofit/Religious	4	4	0
Restaurant	32	22	10
Retail-Antique	1	4	-3
Retail-Art	2	4	-2
Retail-Children	1	1	0
Retail-Clothing	6	10	-4
Retail-Crafting	1	2	-1
Retail-Food	3	1	2
Retail-Gifts	8	6	2
Retail-Jewelry	2	2	0
Retail-Pet	2	0	2
Retail-Home Goods	5	3	2
Retail-Psychic	2	4	-2
Retail-Specialty	3	2	1
Retail-Tourism/Gifts	1	2	-1
Retail-Witch	2	1	1
Service	11	7	4
Other	2	0	2
Total, All Businesses	91	76	15
Total, Retail Only	39	42	-3

Source: Salem Main Streets

Three implications for Salem's downtown retail development emerge from recent trends in store openings and closures:

- The high number of closures and turnover (ten annually on average) creates an opportunity to bring in new businesses and improve the retail mix;
- More support and assistance may be needed to help new businesses successfully establish themselves in downtown; and
- While the past four years are a small sample, gift and home goods stores have fared relatively well while clothing stores have had a much harder time surviving in this period.

Demographic Trends

To complement the supply side analysis, US Census data was analyzed to identify important changes to Salem's trade area population and households that may affect downtown retail opportunities. This analysis used full population counts from the 2000 and 2010 US Census of Population and Housing and estimates from the 2015 Five-year American Community Survey to

track changes in population, households and their composition by age, race, income, and educational attainment for the trade area and its constituent communities. Essex County data was used as a basis for comparison to provide a larger regional context. Tables 4 and 5 summarize changes in total population and households while Table 6 shows changes in median income. More detailed profiles of changes in the age and racial distribution are provided in Figures 2 and 3. Figure 4 provides the most recent estimate of the population distribution by age and Figure 5 has the most recent income distribution for the trade area and comparison geographies. Key findings and observations from the demographic analysis include:

- The trade area experienced modest growth from 2000 to 2015, adding 8,541 people and 4,164 households, 4.5% and 5.5% increases, respectively;
- Peabody and Danvers had the largest absolute and percentage increases followed by Salem while Marblehead and Swampscott both lost population and households;
- Salem added an estimated 537 households and 2,092 people—its population growth rate (5.2%) was slightly above the overall trade while its growth in households (3.1%) was below that for the trade area, suggesting the city is attracting larger households than its neighboring communities;
- The trade area's population has remained over 90% White but the number and share of the non-white population has increased (See Figure 2) with Hispanics the faster growing group, increasing from 4% to 7.7% of the area population from 2000 to 2015;
- Salem and Peabody have the largest Hispanic populations, which grew over 2000 to 2015 from 11.2% to 16.5% of the population in Salem and 3.4% to 8.6% of the population in Peabody. Though a smaller percentage of the population in Danvers, Marblehead, and Swampscott, the Hispanic population more than doubled in these cities between 2000 in 2015.
- The trade area population is aging as people in the age cohorts between 45 and 74 have increased while its population between 25 and 44 has declined (see Chart 3). In 2000 the population between 45 and 74 made up 32.1% of the total population, while in 2015 it made up 38.0% of the total population. In 2000 the population between 25 and 44 made up 30.2% of total population, while in 2015 it made up 23.7% of the total population.
- Trade area residents between 35 and 44 decreased the most—by 8,640 or 27%—while young adults (age 20 to 24) grew by 41% or 3,936 residents;
- Salem has a large and growing 20 to 34 years old population; 26% of Salem residents are in this cohort compared to 18% for the Trade Area and Essex County and 22% for the Boston MSA. Furthermore, the share of this age group in Salem increased slightly from 24% in 2010 to almost 26% in 2015, consistent with retailers' observations that Salem is attracting more young families;
- The trade area is a middle income region relative to the Boston MSA with three of the six communities having a median household income above the Boston MSA level of $75,478 and three below. Marblehead and Swampscott have the highest median income at $102,983 and $98,612, respectively. Salem and Peabody are less affluent with 2015 median household incomes that are 12% below Essex County and 20% below the Boston metro region, respectively.
- While the trade has a higher share (30%) of households in the $50,000 to $100,000 income range than that of Essex County (28%) and the Boston MSA (27%), one-third of households have incomes of $100,000 or greater.
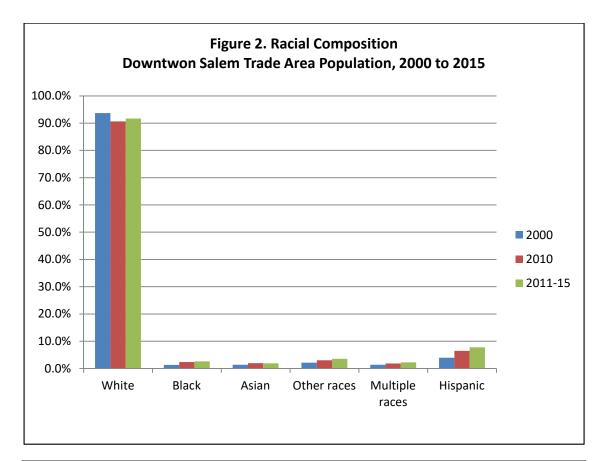
- Median income for the trade area grew at a moderate pace over the past 15 years. In five of the six communities, median household income grew by 33% to 39% from 2000 to 2015, equal to compound annual growth rates of 1.9 to 2.2%.
- Households in the $25,000-$74,999 income range decreased by 20-30% in the Trade Area between 2000 and 2015. Households making $100,000 and above increased in the Trade Area between 2000 and 2015.
- Salem had the third highest percentage increase in median income growth in the trade area at 38% (2.1% annually);
- Peabody lagged other communities in median income growth with a 10.5% increase over the 15 year period, equivalent to a compound annual growth rate of .7%.
- In the Trade Area from 2000 to 2015, the percentage of the population with an associate's degree grew from 8.0% to 8.5%, the percentage with a bachelor's degree grew from 22.5% to 25.4%, and the percentage with a graduate degree grew from 12.7% to 16.6%.
- Populations with some college, a high school diploma and less than a 12th grade education declined by less than 3% in each respective category.
- Salem and Beverly have the highest in-college population in the Trade Area and account for 76% of the trade area's undergraduate population. From 2000 to 2015, Salem's in-college population grew by 1,177 (33%) while Beverly's in-college population grew by 1,450 (48%).
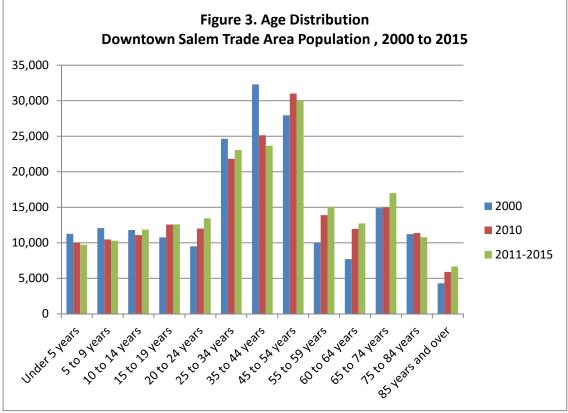
Table 4. Change in Population, 2000 to 2015
Salem, Trade Area Communities and Essex County

Geographic Area	2000 Population	2015 ACS Population Estimate	Absolute Change	Percentage Change
Beverly	39,862	40,670	808	2.0%
Danvers	25,212	27,400	2,188	8.7%
Marblehead	20,377	20,270	-107	-0.5%
Peabody	48,129	52,065	3,936	8.2%
Salem	40,407	42,499	2,092	5.2%
Swampscott	14,412	14,036	-376	-2.6%
Retail Trade Area	188,399	196,940	8,541	4.5%
Essex County	723,419	763,849	40,430	5.6%

Table 5. Change in Households, 2000 to 2015
Salem, Trade Area Communities and Essex County

Geographic Area	2000 Households	2015 ACS Households	Absolute Change	Percentage Change
Beverly	15,750	16,113	363	2.3%
Danvers	9,555	10,394	839	8.8%
Marblehead	8,541	8,137	-404	-4.7%
Peabody	18,581	21,652	3,071	16.5%
Salem	17,492	18,029	537	3.1%
Swampscott	5,719	5,477	-242	-4.2%
Retail Trade Area	75,638	79,802	4,164	5.5%
Essex County	275,419	287,912	12,493	4.5%

Figure 2. Racial Composition
Downtwon Salem Trade Area Population, 2000 to 2015

Figure 3. Age Distribution
Downtown Salem Trade Area Population , 2000 to 2015

**Figure 4. Populaton Age Distribution
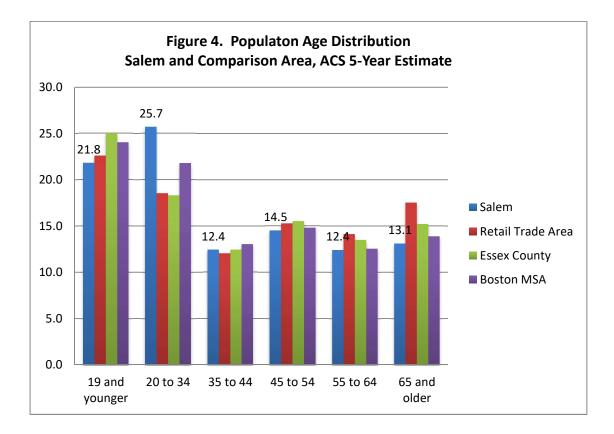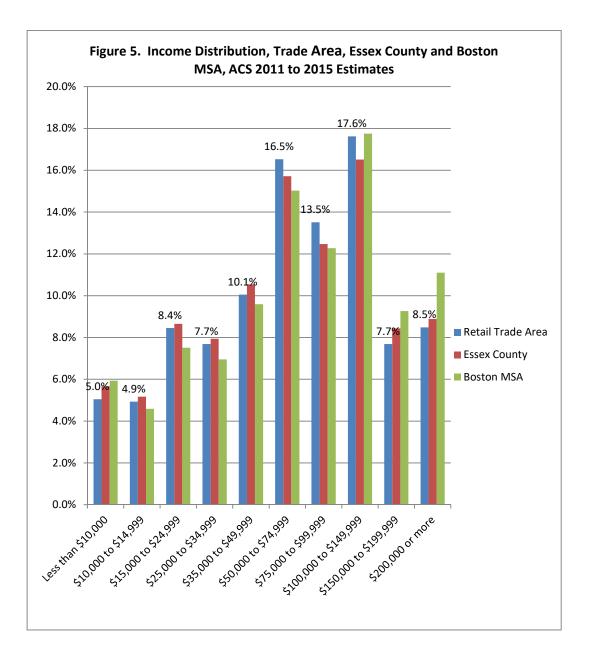Salem and Comparison Area, ACS 5-Year Estimate**

Table 6. Change in Median Household Income, 2000 to 2015,
Salem, Trade Area Communities and Essex County

Geographic Area	Median Household Income, 2000	Median Household Income, 2015	Absolute Change	Percent Change
Beverly	$53,984	$72,837	$18,853	34.9%
Danvers	$58,779	$77,949	$19,170	32.6%
Marblehead	$73,968	$102,993	$29,025	39.2%
Peabody	$54,829	$60,596	$5,767	10.5%
Salem	$44,033	$60,690	$16,657	37.8%
Swampscott	$71,089	$98,612	$27,523	38.7%
Essex County	$51,576	$69,068	$17,492	33.9%

These demographic changes suggest several issues and opportunities to consider in formulating Salem's downtown retail action plan:

- Older households, young adults (including in-college), and the Hispanic population represent growing market segments to potentially target;
- The sizable growth in the college population may warrant more focus on attracting students to shop downtown and store merchandising oriented toward students;

- Downtown Salem may be better positioned to serve moderate- and middle-income households given Salem's own income levels, their large share of the trade area, and the higher household growth in less affluent trade area communities; and

- Marblehead and Swampscott are promising markets given their smaller retail base and closer proximity to Salem compared to Peabody's regional malls, but it may be difficult to address the preferences of their higher income households and the more moderate income markets served by downtown Salem. Given the growing share of high income households in the trade area, there may be value in cultivating some retailers that appeal to this demographic market.

Figure 5. Income Distribution, Trade Area, Essex County and Boston MSA, ACS 2011 to 2015 Estimates

National Retail Trends

Mainstream headlines allude to trouble for retail and brick-and-mortar stores. Evident are the wave of recent department store closings and bankruptcies. Given store closings in first quarter of 2017, the US retail industry is on pace to close more stores this year than the 6,200 shuttered during 2008 (Bain 2017). The department store industry has evolved and generally suffered in recent decades (Plunkett 2006) with department stores and malls falling out of favor. However, some big box retailers—Walmart, Home Depot, Costco, T.J. Maxx, and Best Buy—are doing quite well. This success is attributed to adaptation to changing consumer preferences. Examples from these retailers include building robust e-commerce platforms, investing in customer service, and providing on-demand products (Walmart); finding a niche in the market such as bargain shopping (T.J. Maxx); and positioning the brand as a product expert (Best Buy).

Other analyses of the retail industry present a challenging yet promising outlook full of opportunity. Among these findings are: the industry outlook is quite positive based on retail employment and spending figures; aside from chains and department stores the retail industry is actually quite healthy (Farfan 2017, Wahba 2017); and the influence of e-commerce is only secondary to other core business practices that retailers need to adapt to a changing market. While downtown shopping fell out of favor in the 1960s, today department stores and malls are on the decline while the industry leans towards "lifestyle centers", walkable commercial districts, and localized products and experiences. These changes create opportunities for retailers to reinvent themselves and adapt.

The digital and technological age, changing demographics and particularly millennials becoming the dominant consumer group, consumer favor towards greater convenience, meaningful experiences, and unique, personalized products are recognized as major influences in the retail industry today.

Trends in Successful Retail Businesses

Many examples of how retailers are innovating for success come from big box retailers. While small business brick-and-mortars may struggle in the shadow of Walmart and other big box stores (Dumcius 2017), they can benefit from exploring actions that many big box retailers are taking to innovate along with other strategies specific to medium and small business. Successfully retail businesses exhibit the following trends:

1. **Integrate customer offerings across channels through omnichannel retail strategies.**

There is an increasing emphasis on the omnichannel experience as businesses look for new ways to connect to customers offline and online (Sopadjieva et al, Harvard Business Review, 2017). The rise of e-commerce has been a notable trend, accounting for up to 8% of the retail market, and growing at 14% annually versus 4% for total retail sales (Morgan Stanley Voice 2017). However, others note that that e-commerce is still less profitable than physical retail and less influential than other factors such as figuring out how to sell to millennials and digital-first retail. The omnichannel strategy relies on the concept of seamless shopping experience in brick and mortar stores along with a variety of digital channels, which provides the added value of both in-store assets and online access. Walmart is looked to as the prime example of an omnichannel

retailer that has upgraded brick and mortar stores resulting in increased foot traffic while also increasing its online offerings.

2. **Make use of technology to strategically grow business. Develop technological capacity where needed.**

Successful retailers are adapting to increasing technology use by consumers and using technology to streamline and create new ways of doing business. Large retailers are looking to engage with technologies such as artificial intelligence and virtual reality. The Retail Industry Leaders Association and Accenture recently launched an Innovation Center to help top retailers harness technological change for business (Accenture 2017). A great challenge for small retailers is keeping up with the fast pace of technological change. However, they can explore options, evaluate potential returns on investment, and take strategic steps to technologically innovate. From a customer-facing perspective, retailers can embrace mobile technology and mobile payment methods, use video marketing, use social media, and offer same-day delivery options potentially through third party delivery services (Riggins 2016, Ray 2016). From an operational perspective, businesses are anticipated to increasingly use POS (point of sale) technologies, be on the Cloud, and use other digital tools (Goldstein 2017).

3. **Build a strong digital presence as a touch point for initial and recurring interactions with customers.**

While not as widely noted as e-commerce as a trend, digital-first retail is arguably more influential than e-commerce. Digital-first retail is the growing tendency of consumers' shopping journeys to be influenced by digital channels, regardless of where the ultimate transaction takes place. Leading brands, from Apple to Nike to Walmart, are evolving into digital-first organizations. They're investing to create product content that serves as the bridge between the online and offline worlds, and helping consumers shop when, where and how they want (Robinson 2017). While e-commerce now accounts for (depending on the source) some 10% of all retail sales, both Forrester and Deloitte have estimated that web-influenced physical store sales are about five times online sales (Dennis, Forbes 2017).

4. **Invest in understanding the customer. One notable trend is customer experience.**

Retailers are doing more to understand and engage the customer. One important trend is that customers are increasingly valuing experience (SweetIQ 2016). Customer experience has been called the next competitive battleground (KPMG 2017). The success of Apple, Lululemon, and Free People are attributed to creating a valued, personalized in-store customer experience. Retailers will emphasize customer experience teams and investing in technology that gather information to help better understand customers (Ankeny 2017). Technology provides an opportunity for retailers to understand and connect more directly with customers.

5. Strengthen brand engagement and build a base of loyal followers.

Lululemon and Free People are commonly cited examples of companies that have built strong brands based on quality and lifestyle. This branding has been attributed to not offering products at a discount, whereas other companies have trained customers to buy during regular product discount periods (Schlossberg 2016). However, other off-price retailers such as Ross and TJ Maxx take advantage of culture of bargain hunting and have survived their competitors. These retailers are examples of brand identities that have found a niche in consumer preference. Supreme has been successful in creating brand identity around "authenticity" and limited production and is an example for exploring brand devotion (Clifton 2016).

6. Leverage consumer preference for uniqueness, authenticity and local flavor. Explore submarkets and consider engaging local institutions and community.

Consumer preference for uniqueness, authenticity, and local flavor is noted to be on the rise. "Be local, sell global" is one of the trends noted by Innovation Economy Partners & Camoin Associates. Brick-and-mortar retailers and those on main streets are poised to capitalize on this trend (Dolce 2017). Related to this trend, local retail stores can benefit from awareness of the resources and efforts of local institutions and building relationships with local institutions and the community. Examples from cities where local businesses and main streets are invigorated cite creating strong local business associations; working with local agencies to support walkability, streetscape improvements, and residential and commercial use; renovating historical buildings in commercial districts; and attracting restaurants, breweries, and shops that contribute to local personality (Dumcius, MassLive, 2017).

7. Are strategic about innovating ways of doing business.

Across trends, successful retailers are strategic rather than reactionary in finding innovative ways of doing business. They are evaluating business nuts and bolts and opportunities unique to them, right-sizing brick-and-mortar stores, carefully constructing brands, finding niche markets, finding new ways to serve the customer, creating new partnerships and connecting with expertise and networks. New technologies for most small businesses is not an either/or proposition. They can adopt the use of new technologies and still rely on the tried-and-true ways of doing business. (Chaney, Small Business Trends, 2016).

Implications for Salem

- Salem retailers will likely face new forms of competitions as larger retailers integrate their brick and mortar and online retailing and adopt more sophisticated technologies to track consumers, target markets and serve customers.
- Salem retailers can benefit from developing effective strategies and tools to use online retailing, social media and emerging retail technologies appropriate to their business and resources. Technical assistance, customized tools and other resources may be needed to help Salem retailers capitalize on these opportunities and develop effective approaches for small businesses.
- Downtown Salem is well-aligned with retail trends that favor experienced-based retail, authentic and unique products, and local flavor. Salem can strengthen and build on this

advantage through its branding and marketing work, local events, cultivating businesses that reflect its local brand and character, and helping stores develop and strengthen their use of these retailing strategies.

- More information is needed on the capacities and use of digital and other technologies by existing retailers and their use and needs around other key retailing approaches to determine training and technical assistance needs.
- There may be value in ongoing efforts to research, document and provide information on effective retail strategies, practices and tools for small and independent retailers.
- Partnerships with universities, technology firms and other downtowns may be needed to access the knowledge, resources and scale to help Salem retailers address and adapt to the changing nature of retailing practices and competition.

Case Studies of Downtown Retail Strategies

Case studies of initiatives to grow and support retail business in three other communities were completed to inform Salem's strategy and action plan. The three case studies were selected based on community size, a combination of resident and visitor markets and the presence of sustained downtown revitalization initiative.

This section summarized the strategies and activities in each city organized into four sections:

1. Commercial district description and the lead organizations for retail initiatives;
2. Business recruitment and attraction;
3. Business development; and
4. Customer marketing.

Main Street Hyannis, Barnstable, Massachusetts

Commercial District and Lead Organizations

Main Street, Hyannis is a linear district with over 120 businesses that includes over 50 restaurants, accommodations, a charter school, retailers, and services. Retail stores include art galleries, book and music stores, clothing stores, a hardware store, jewelry, and specialty shops. Businesses are primarily independent local enterprises with some local and regional chains, including Dunkin Donuts, the British Beer Company, K Katie's and Puritan Clothing's flagship store.

In recent years, downtown Hyannis has seen a growth in restaurants and a decline in retail stores, including the loss of a toy store, art gallery and bowling alley. New retail additions include an art framing store, a chain candy shop (Kilwins), a low-price jewelry store and a custom a Grilled Cheese Gallery.

The Hyannis Main Street Business Improvement District is the main business organization overseeing downtown improvement and revitalization efforts on the downtown Main Street corridor. Property assessments that total $200,000 are its primary funding sources. The Town of Barnstable through its economic development staff undertakes related projects and activities.

Business Recruitment and Attraction

Business recruitment has not been a priority for the BID and there is no recruitment strategy or ongoing recruitment effort. Tenant recruitment is done by property owners and real estate brokers. Once businesses locate in the downtown, the BID helps to promote them via its web site and press releases. They also help businesses seeking to locate downtown navigate the town's permitting processes, including historic district regulations and sign permits.

Business Development

Barnstable has targeted arts and cultural businesses for focused support and development efforts.

The state-designated HyArts Cultural District was established for downtown Hyannis and regular arts and cultural events including concerts, theater, arts walks and open studios, are held downtown to support. A key part of this effort is an Artist Shanty program, established in 2005, in which the town built seven small shanties in the harbor area that are leased to artists from May to October. The shanties provide a way for artists and artisans to market and sell their work, capturing the many tourists who use the ferry service. Over time, the town has shortened the lease period to one week to provide opportunities for more artists, although some artists lease for several non-continuous weeks. The town is adding three additional shanties and hopes to secure revenue to add two more. Some artists have used their experience in the Shanties to grow their businesses and establish a store, including one artist who opened an art gallery on Main Street.
Barnstable has created an "arts campus" downtown through acquiring two homes on a street adjacent to Main Street and converting them into artist studio space and a shared gallery, and converted the Guyer Barn into a year-round community art space to showcase emerging and established artists. The Guyer Barn provides studio and gallery space and promote the arts through exhibits, educational events and performances,

The BID and town economic development staff meet with prospective entrepreneurs to offer general advice and refer them to the Small Business Development Center, SCORE and other small business assistance providers. Barnstable has a microloan fund and façade improvement grant program to provide financing to businesses, both of which are CDBG-funded and targeted to the downtown. The BID has held occasional training workshops for businesses, including one on customer service and is considering holding one on window displays.
A downtown church recently converted its kitchen facility into a commercial kitchen to support emerging food process. The kitchen houses one business at a time but the church is looking to raise funds to expand to serve multiple entrepreneurs. Its first entrepreneur moved out of the kitchen to establish a juice bar downtown and its current tenant is working on a beef jerky business based off of his own recipes.

Customer Marketing

Promotion and marketing is a major BID activity with multiple activities that include:

- Shop local campaigns with local advertising, including a shop local day in the fall and in the spring with special sales at locally-owned stores;
- Several events and festivals including a summer car show, Halloween and Christmas festivals and four Open Streets events with Main Street closed to traffic and having music, yoga and other activities on Main Street
- An on-going ad campaign in local newspapers and free news coverage through radio interviews and press;
- Shop and dine promotions, i.e., on Shop Local Day (buy an item and get a free desert) and during the Christmas Stroll event (buy a Christmas gift and get 20% off at a local restaurant).

The BID has not developed data on the results of its marketing and promotion efforts. Some 20 stores participate in the shop and dine promotions but it has been a challenge to get a critical mass of stores to stay open late beyond summer months. Gift shops appear to benefit most from

this promotion and anecdotally the Christmas Stroll shop and dine promotion has been effective.

Portsmouth, New Hampshire

Commercial District and Lead Organizations

Portsmouth has a compact walkable downtown district that is largely populated with small independent businesses. There are 250 retail establishments citywide (based on NAICS classification) with an estimated 104 downtown merchants involved in some type of retail sales, including hair salons that sell hair products and yoga studios that sell goods. The retail mix is diverse with stores that include women's clothing, men's clothing, jewelry, gifts, a bookstore, toy stores, banks, and art galleries.   A few food-related chain businesses, such as Starbucks, are located downtown. Portsmouth had some chain clothing stores in the past, notably Banana Republic, but these have all closed. The city's current focus is on having locally owned independent stores. Most retail stores are small and occupy 1,000 square feet or less.

In recent years, Portsmouth has seen more restaurants and food-related businesses and become more of a destination for culinary and arts-oriented visitors and shoppers. On the retail side, there has been some growth in women's clothing and yoga clothing and a loss of stores addressing everyday needs. Downtown lost a hardware store and a pharmacy in recent years, and lacks a grocery store.

While Portsmouth has few vacancies and vacant space turns over quickly, stores located outside the core retail area on the streets adjacent to Market Square have more difficulty generating pedestrian traffic and shoppers, and have seen more vacancies.

The City of Portsmouth Community Development, Economic Development and Planning staff as well as The Chamber Collaborative of Greater Portsmouth are the main organizations leading downtown revitalization, which focuses on marketing the downtown, zoning for active ground floor uses and physical improvements and infrastructure to maintain the attractive pedestrian-oriented environment. The Chamber is responsible for marketing the destination of Portsmouth to distant domestic, international, and local drive markets, and organizes culinary and retail events, while the city is responsible for infrastructure and physical improvements, and is active in business development activities, including helping entrepreneurs start a business and administering a citywide business retention program.

Business Recruitment and Attraction

Portsmouth has not undertaken its own business recruitment efforts. Instead, it focuses on working with commercial developers, real estate professionals, and public private partnerships undertaking new projects. This includes encouraging them to lease to desired types of businesses, particularly to bring a grocery store and drug store downtown. These efforts have not succeeded to date as chain drugs stores have reported that the downtown residential population is not large enough to support a new store. A Whole Foods grocery store was part of a planned mixed-use project on the edge of downtown but the company pulled out of the project in early 2017 ostensibly due project delays caused by opposition from a group of local residents that included an extended lawsuit against the project.

Business Development

City economic development staff support new and existing businesses in several ways. They have a dedicated space in city hall where the Small Business Development Center provides counseling services on an appointment basis to downtown retailers and other businesses. The city's Economic Development Director makes referrals to SCORE and other business development resources and the city has a resource directory for counseling, business assistance and financing on its web site. The City also works with its counterparts at the state level in bringing out of state entities to the City. Portsmouth also participated in the initial stage of Google's Put Our Cities on the Map program in which they send out people to help businesses and other organizations get on Google maps and online via a web site and domain name (which is made available free for one year).

Customer Marketing

Portsmouth hosts a regular slate of community events in the downtown. These events range from parades, road races, art festivals, sidewalk sales, bike criterions, concerts, film festivals, street performances, public art installations and dances. Many of these events benefit local charities and are coordinated by residents and businesses. And, many of these events are sponsored by local business and engage and drive patrons to local retailers and restaurateurs. These events combined with infrastructure that allows the public to gather or dine al fresco are supported by the City and are an important part of the downtown vitality and quality of life.

Portsmouth actively markets downtown shopping to both visitors and local residents. In addition to the regional marketing of Portsmouth as a destination, the Chamber has targeted hotel staff to promote visitor shopping and dining. They created downtown lodging, activities, dining and shopping guide which is distributed by front desk hotel staff to guests, and is the primary collateral piece for distribution at the welcome centers, at consumer travel shows, as a fulfillment piece for inquiries, and by local businesses. Another promotion delivered retail rack cards to front desk staff to share with guests, and offered an incentive to distribute them. Hotel staff initialed the rack cards that they gave to guests and each month the person distributing the most cards received a $50 gift card and balloons delivered at work. The hotel staff incentive program was not very effective, and was ended after the same person won the gift card for six months.

Multiple promotions that target local customers have been more successful but have still faced some challenges:

- Shop Portsmouth Friday Nights was launched several years ago to address residents' and visitors' desire for later shopping hours. Participating shops committed to stay open from 5 to 8 PM on Friday evenings from Memorial Day to Columbus Day, and the Chamber kept the visitor information kiosk in Market Square open during these hour. Shops offered sales, specials, snacks and beverages on many of these Friday nights. A rack card was created and distributed to hotels, by the Visitor Center and Market Square Kiosk, at consumer trade shows, and by the participating shops. This effort gained momentum and has resulted in increased sales but it is still difficult to sustain store participation, especially outside the summer season.

- Fashion's Night Out Portsmouth, in its seventh year, encourages locals and visitors to come out and show their style, while stores offer special fashion-oriented sales, activities and demonstrations from 5 to 8 PM. From 8 to 10 PM the evening concludes with a fashion show. The fashion focus allows a range of stores, from jewelers and clothing stores, to eyeglass stores and hair and nail salons to participate.
- A Friday shop and dine cross-promotion was in place for three years. Shoppers who purchased anything in a participating shop on a Friday would have their receipt stamped in the shop with a Shop Portsmouth stamp. Shoppers could then bring that receipt, on that Friday, into one of the participating restaurants to get a "special", which was at each restaurant's discretion. Participating shops and restaurants were listed on one Shop Portsmouth rack card. The promotion required training shop owners and employees to promote it to customers and stamp the receipt. Use of the promotion dropped off over time and some restaurants believed that storeowners were not actively making customers aware of the promotion, so it was halted.
- The Chamber organizes two restaurant weeks in the fall and spring shoulder seasons with 42 to 51 restaurants participating. Restaurant Week Portsmouth & the Seacoast brings between 70,000 to 75,000 diners over a ten day period into participating restaurants, which is a significant increase over diner traffic in the same ten day period pre- and post event
- Hit the Decks is an event encouraging residents to come downtown to dine and shop in May when outdoor seating at waterfront, downtown, and regional restaurants is open but is not yet filled with tourists. More than forty businesses participate, whether they have dining or decks or not, to celebrate that Portsmouth is open for the season.
- Sells a citywide gift card, Portsmouth A La Carte, for use at multiple Portsmouth hotel, activities, stores and restaurants. Merchants need a special machine to accept the card and customers perceive it as a dining card given the name, and right now only 14 retailers are participating. The Chamber is looking to work with the A La Carte company to reboot the card with a new name and simpler technology for merchants.

Recently, the City Council provided additional funding to support expanded marketing to help downtown merchants by reducing nine days of free parking around Christmas to seven days. The Chamber is administering the funds and is deploying for three projects: (1) data gathering by holding three focus groups and conducting an on-line survey of local, regional, and distant domestic shoppers; (2) education to help retailers strengthen their business and better compete with Amazon and others; and; (3) long-term destination marketing campaigns that will be developed. As part of the education Phase, the Chamber is looking to learn from Burlington, Vermont and Newport, Rhode Island by bringing people from Burlington to Portsmouth and taking merchants to Newport to learn about their best practices in marketing businesses and their downtown. Finally, they are considering hiring a consultant to help retailers create an on-line store.

Macon, Georgia

Commercial District and Lead Organizations

Downtown Macon is a 30 square block area within Macon's larger urban core that experienced disinvestment, business out-migration and population loss beginning in the 1950s, similar to many urban centers. Revitalization efforts for downtown and surrounding neighborhoods have occurred for close to twenty years, and include new residential development, business development, and expanding downtown events and entertainment venues. In 2015, the Macon Action Plan was completed, under the leadership of the Bibb-Macon County Urban Redevelopment Authority, to provide a community- based vision and action plan to strengthen and revitalize Macon's historic downtown district and adjacent neighborhoods. Three main organizations are central to Macon's downtown revitalization initiatives:

- Macon-Bibb County Urban Development Authority (UDA), focuses on larger economic development projects in the historic downtown area and oversaw planning work for the Macon Action Plan;
- Main Street Macon is a non-profit state designated Main Street organization that applies the four-point Main Street approach in the central business district section of downtown; and
- NewTown Macon is non-profit organization working to revitalize downtown Macon through real estate projects, providing financing and small businesses development assistance.

Macon's historic downtown has a mix of retail stores, bars, restaurants, professional services and performance venues and a 25% vacancy rate. Thirty-four retail stores account for approximately 10% of ground floor uses and include clothing stores for women and men, three furniture stores, and several art galleries and a few stores selling Georgia-made gifts and crafts. There are several long-established clothing and furniture stores, including two men's stores that cater to the city's African-American residents. All downtown retailers are local independently owned stores. Most recent business growth and investment has been in restaurants, bars and entertainment venues; the downtown is now home to 51 restaurants, 15 bars and 13 music venues (which include several bars that have music).

Business Recruitment/Attraction

The Macon Action Plan includes proposals to recruit health-related businesses such as convenience and grocery stores and encouraging locally owned stores to open a second location in Macon. However, active outreach and targeted recruitment of retail stores is not occurring. Instead, there is broad marketing of downtown for businesses through providing updated market data on the business opportunities is downtown Macon and organizations' web sites.

Downtown revitalization has focused on advancing real estate projects, particularly residential development to create the market for retail and other businesses, helping entrepreneurs to establish new business and marketing and supporting existing businesses. Key efforts to advance residential and other real estate development include:

- Building relationships with property owners and encouraging them to invest in and reuse their buildings, especially historic properties;
- The Historic Macon Foundation has a staff person to help developers and property owners complete historic tax credits applications and securing tax credits to rehab historic buildings;
- NewTown Macon completed seven mixed- use historic rehab projects with over 180 residential units and a dozen commercial spaces, operates a co-working space and helped establish several entertainment venues including restoration of the 600 seat Cox Capital Theater (which it also operated for many years until it was viable for a private operator and the acquisition, bargain sale and financing of the conversion of deteriorating building for a large county and western music bar;
- NewTown Macon manages the Real Estate Development Loan Fund that provides subordinate gap loans to finance the reuse of vacant downtown land and buildings with a primary focus on creating new residential lofts.

Newtown Macon also builds relationships with the major downtown property owners to find spaces for businesses that they assist and to upgrade the quality of tenants in their buildings. For many years, commercial brokers were not interested in downtown so NewTown Macon provided a service to connect businesses to spaces. It also coaches property owners to accept better tenants, created a lease template for property owners, and advises on the financial underwriting of prospective tenants. These efforts focus on the tenant's financial situation and capacity to pay rent and do not seek to influence what industry or business type occupies the leased space.

Business Development

NewTown Macon provides both loans and intensive counseling to help establish new businesses downtown. It provides intensive assistance in business plan development, financial proformas and financing plan for entrepreneurs seeking to start a business, providing an average of 380 hours or staff time on average, and offers similar assistance to existing businesses looking to expand. In a typical year, NewTown Macon counsels a dozen business clients. In additional to this technical assistance, it provides business loans to help start or expand the business, serving enterprise that are viable for traditional commercial credit.

Main Street Macon complements the work of NewTown by helping businesses secure local permits and provides $1,500 grants to downtown businesses with less than ten employees to expand their marketing, using CDBG grant funds that it received.

Customer Marketing

Main Street Macon organizes and collaborates on downtown place-making events and works to market and promote downtown as a dining, entertainment and shopping destination. Downtown events and promotions include:

- First Fridays every month with street performances and events at art galleries, stores staying open to 7 or 8 PM and people are allowed to walk around with an open drink container;

- Macon BeerFest to promote a beer culture and support the local brew pubs and brewery;
- Cherry Blossom Parade
- Open Streets festivals in which downtown streets are closed to vehicle traffic to allow biking, skating, pedestrians and health related activities take place;
- Macon Film Festival;
- Christmas parade, tree-lighting event and promotion of downtown as a place for Christmas shopping and promotion of Small Business Saturday with a social media campaign;
- Be a Regular social media campaign to promote shopping for everyday items downtown; shopping to need; social media;

Main Street Macon also helps businesses write press releases to promote their businesses and advertises events and promotions on the local radio station, which is an active supporter of the downtown.

The Downtown Macon Community Association (DMCA), an organization of residents and merchants organizes additional promotions and events. These include sidewalk sales, a new Halloween trick or treat downtown and a grant-funded initiative to improve and program activities in alleys. DMCA holds a Macon Music Scavenger Hunt that takes people through alleys to complete the scavenger hunt and earn a gift at a store.

NewTown Macon used to actively market downtown with close to 100,000 in ad buys but no longer sees a need for this marketing as there are now many successful businesses doing their own advertising. Instead, it promotes downtown by aggregating and broadcasting other groups and business' events and advertising via a strong social media presence.

Downtown Retail Action Plan

A four part action plan was formulated in collaboration with downtown Salem stakeholders to address key issues and opportunities facing Salem' downtown retail base and support and strengthen it future development:

1. Business recruitment and leasing;
2. Grow your own business development;
3. Retail marking and market development; and
4. Capacity building and place-making

This section summarizes the results from the prior analysis and the downtown vision that shaped the Action Plan and details the overall strategy and action items for each plan components.

Findings and Trends Informing Action Plan Options

- There has been considerable progress and success with the 2007 Action Plan but gaps and challenges remain around working with property owners to recruit and lease to businesses that advance the downtown vision, marketing downtown to trade area residents and targeted market segments, and the capacity of Salem Main Streets and other partners to sustain and expand upon current downtown events and initiatives;
- Local entrepreneurs are increasingly important to downtown retailing and an expanded focus and new strategies and resources are needed to nurture this driver of new retail businesses;
- The diverse trade area customer base poses challenges for downtown retailers and requires more variety and adaptability in marketing, promotion and store/merchandise mix to serve different retail niches;
- Expanded training, technical assistance, and technology adoption by local independent stores will be important to help stores compete and survive with the growing local and online competition and the introduction of sophisticated marketing, customer retention, and customer service technologies by national and large stores;
- Food, home goods, and gift stores are favorable categories for retail expansion based on trade area retail trends, Salem's current retail strengths and character, and the experience with recent store openings;
- There is growing demand among independent retailers for store spaces of 1,000 square feet or less;
- Salem's successful dining scene and strong events program provide an opportunity to support retailers and increase local shopping;
- Local stores and the overall downtown can focus on experience-oriented stores and shopping and strong customer service to take advantage of retail trends and enhance Salem's market position as a unique retail destination; and
- Case study cities are not actively engaged in on-going business recruitment but are working to strengthen their retail base in other ways:
  - Hyannis is promoting and nurturing arts, culture, and creative enterprises as a centerpiece for its downtown, connecting aspiring entrepreneurs to assistance and promoting new stores once they open;

- o Portsmouth has worked with developers of new projects to bring a grocery store and pharmacy as tenants, connects entrepreneurs to the SBDC, SCORE and other resources, created an attractive pedestrian-oriented downtown district and worked with a Google initiative to get businesses on-line;
  - o NewTown Macon, a non-profit economic development organization, has developed several mixed-use real estate projects, worked to develop and finance entertainment venues, and provides loans and intensive counseling to start-up and expanding businesses.
  - o All three cities organize downtown events and actively market and promote their downtown: Hyannis and Portsmouth run dining and shopping promotions; Macon Main Streets provides grants to businesses to expand their marketing.
- Given the challenges faced by independent retailers, the pace of retail industry changes, and continued demographic and economic development of Salem's retail trade area, Salem's downtown stakeholders will need to test, learn from, and adapt their strategies, tools and activities over time to ensure that they are applying effective approaches to advance their goals and impact.

Retail Vision for Downtown Salem

A vibrant mixed-used downtown with active ground floor businesses that include restaurants and retail shops that make the downtown a destination for dining and shopping.

The downtown retail mix will include unique and interesting shops offering gifts, crafts, clothing, home goods and specialty foods that cater to Salem and North Shore residents and visitors exploring Salem's history, arts and cultural attractions. Some stores will also address the everyday needs of the downtown's growing residential population for groceries, home supplies and convenient services. Businesses will be primarily independently-owned single stores and small regional enterprises with a few locations. Storeowners and managers work with Salem Main Streets, the City, Destination Salem, commercial property owners and other stakeholders to sustain this downtown vision through organizing events and activities, maintaining a clean, safe and pedestrian friendly environment and helping to recruit, retain and nurture downtown retail stores aligned with this vision.

Business Recruitment and Property Leasing

Strategy Overview and Action Steps

Salem does not currently have many ground floor vacancies, but there is on-going turnover of businesses and some recent vacancies have been challenging to fill. Several new projects will also add new ground floor space to lease. Both situations provide opportunities for downtown Salem stakeholders to work with property owners to encourage and support filling some of these spaces with new retailers that strengthen downtown as a shopping destination. The process of working with property owners on leasing also supports connecting successful new businesses nurtured under the Grow Your Own Business Development strategy to long term downtown locations. The focus of this strategy is threefold: (1) developing relationships with property owners and commercial brokers to coordinate efforts to lease available ground floor space; (2) creating materials and a team to support property owners and brokers in recruitment and leasing of new retail tenants; and (3) offering financial resources, when necessary, to sub-divide or reconfigure ground floor space to meet emerging retail needs.   The following actions are needed to implement an effective Business Recruitment and Leasing program:

- Create a Downtown Leasing and Recruitment team with the Mayor, City Economic Development/Planning staff, Salem Chamber of Commerce, Salem Main Streets, commercial brokers, and existing businesses to work with property owners to identify, recruit, and lease to new retail tenants. This team could be an expanded subcommittee of Salem Main Streets' and Salem Chamber's existing joint Economic Development Committee, possibly meeting alternating months, and when needed to address vacancies. This team facilitates a more proactive and coordinated effort to recruit new tenants that advance the goal of a stronger downtown retail base and assist new businesses in transiting into and succeeding in their downtown location. The team's functions would include: (1) identifying, and contacting potential retailers to consider locating or expanding in downtown Salem; (2) providing information and references that make the case for having a store in downtown Salem; (3) assisting with city permits, licenses and applying for facade grants, loans and other assistance to facilitate opening their new store; and (4) connecting new store owners to established organizations and resources available to support their success (Chamber, Destination Salem, Enterprise Center, Salem Main Streets an City economic development staff);
- Conduct outreach and strengthen relationships with property owners and commercial real estate brokers to work with them on coordinated recruitment and new tenant leasing. This is a fundamental step as property owners must be willing and interested in working with the Recruitment and Leasing Team for the strategy to be effective, while commercial brokers can help access nonlocal property owners. Several property owners interviewed for the Action Plan indicated their interest in this type of partnership. These can serve as the first ones to participate in the strategy implementation. Additional property owners to contact should then be identified based the number and location of their buildings, past engagement and connection to downtown improvement efforts and new entrants into downtown market.
- Prepare updated materials that present the value proposition and case for locating a retail business in downtown Salem. These materials help team members make a strong case

when they contact businesses to locate in Salem and provide a tool that local businesses, civic and political leaders can use as part of informal efforts to promote and generate business interest in downtown. The case for locating downtown has several dimensions for these materials to address: (1) the size, nature and diversity of the downtown market; (2) the supportive business environment and sustained downtown improvement efforts with public and private leadership, and the strong organizational infrastructure and collaboration supporting downtown vitality; (3) the successful experience of existing retailers;; (4) the year-round events, programming and destinations that attract people downtown; and (5) future projects and improvements.

- Use the team to undertake property owner outreach and prepare marketing materials and then activate the team when vacancies emerge (preferably when a property owner first knows that a space will become vacant) and work to recruit new retail tenants and identify existing Salem businesses or entrepreneurs to move into vacant space. The team can also work with property owners to identify opportunities to move service businesses to upper story locations and free up space for more retailers and other active ground floor uses.

- Work with the developers and property owners for three new projects with the potential for ground floor retail space (65 Washington Street, PEM expansion, and the mixed-use project at Washington and Dodge Street) to create a plan to bring new retail stores into these new developments. This effort would include meeting with the developers/owners to discuss the goal of including ground floor retail space in their projects, identify special spaces/units to target for retail use, the types of stores to target and an agreement to a collaborative process to attract new retail tenants.

- Provide loans and/or incentives to encourage property owners to sub-divide larger retail spaces into smaller units or to create a new space format with several small retail tenants. Since most independent retailers in Salem and other communities are consistently seeking smaller spaces, increasing the supply of these smaller spaces is important for Salem to attract and accommodate new retailers, and support their success by locating them in feasibly sized stores. Salem can secure or allocate new funds for this purpose or expand allowable uses under its existing Façade Improvement and/or Small Business Loan Program for this purpose.

- Potential store categories and retail concepts to encourage and recruit as part of this strategy include:

  o grocery store;
  o specialty food stores;
  o gift/craft/maker stores;
  o unique home furnishing/supplies; and
  o used/recycled home goods.

Figure 6. Implementation Action Plan: Business Recruitment and Leasing

Project/Action	Implementation Parties	Resources	Phasing
Form Downtown Leasing and Recruitment Team	Mayor, Planning and Community Development Department, Chamber of Commerce, Salem Main Streets, commercial brokers, and existing retailers	Team members staff	First quarter 2018
Outreach to property owners	Downtown Leasing and Recruitment Team	Team members time	First half 2018
Update materials	Downtown Leasing and Recruitment Team	Team members time Funds for design & publishing Advertising firm /graphic designer	2nd and 3rd Quarter 2018
Activate team and work to fill vacancies	Downtown Leasing and Recruitment Team. Property owners Commercial brokers	Team members time	On-going
Loans and/or incentives to encourage property owners to sub-divide larger retail spaces	Planning and Community Development Department	New or reallocated funding Program Design and Guidelines	Identify funding: 2nd half 2018 Design: 1st half 2019 Launch: 2nd half 2019
Leasing plan for new retail development	Developers/Property Owners, Planning and Community Development Department, Salem Main Streets, Chamber of Commerce	Staff time	1st half 2018

Grow Your Own Business Development

Strategy Overview and Action Steps

This strategy builds on the role of local entrepreneurs in opening new retail stores and expands resources to incubate new retailers and build the knowledge, skills and capacity of new and existing retail businesses. Local entrepreneurs have used Artists' Row, the farmers' market and occasional pop-up stores to test their business concept or product and establish a customer base. Salem should continue to offer and expand upon these retail incubation opportunities and create a new space to allow business owners to more fully test and nurture a new store concept before leasing a more permanent downtown space. With the increased competition that retailers face and the fast pace of change in retail marketing, management and technology, there is a growing need to provide retailers and their employees with on-going information and training to sustain their businesses and create unique experiences, products and service that are increasing important for the success of brick and mortar stores. Salem State University and its Enterprise Center are a valuable local resource for the city and downtown stakeholders to work with to address this component of the "Grow Your Own" retail strategy. A two-part business development strategy was formulated to incubate new retail stores and strengthen the capacity of new and existing retailers to manage their business. The components of this strategy include:

Testing and Incubating New Retail Businesses

- Continue to support the evolution of Artists' Row as a formal "incubator" for artisans, craftspeople, and makers to become successful entrepreneurs by leasing them to people interested in growing into a business and/or store and providing business development assistance via SCORE or the Enterprise Center to develop a business/growth plan. This option entails (1) targeting some Artists' Row sheds to artists/artisans who want to establish a formal storefront business downtown; (2) an application review process to confirm this intent and understand the applicant's stage in this process; and (3) connecting the selected person to a mentor or counselor to help them evaluate their experience at Artist's row, create a formal business plan and guide them through the process of starting up in a retail location;
- Establish a retail incubator space that provides several small spaces for entrepreneurs to test and develop a first retail store before leasing space to establish a more permanent store. This incubator could be created through a partnership with a property owner, an independent manager with retail or business development expertise (such as the Enterprise Center), the City, and Salem Main Streets. A 1,500 to 2,000 square feet space that can be divided into 3 or 5 small stores and is located in an area with good pedestrian traffic and other stores would be ideal. In additional to establishing the incubator, a concerted outreach effort will be needed to identify a "pipeline" of interested entrepreneurs and help transition them into the retail incubator. MassDevelopment is another potential partner for this project through financial support for either interior improvements or a lease guarantee/reserve fund or both. This is a more complex project that may take a few years to establish but that promises to add a valuable seedbed for new stores and become its own shopping destination.

Retailer Knowledge and Capacity Building

- Survey existing downtown retail businesses to understand and assess their current capacity and plans in key areas (e.g., on-line retailing, digital/social media marketing, merchandising and store design, experience retailing, customer service, etc.) and their interest in receiving training and/or technical assistance. The results of this survey will inform content priorities and the design (including feasible times and locations) of specific training and/or technical assistance services;
- Based on the survey results and other information, the Enterprise Center and Salem Main Streets create specific training workshops and programs to strengthen retailers' knowledge and skills around specific topics, issues and needs. Multiple course modules could also be combined to a more comprehensive certificate-based training program in retail management. Potential training workshops/programs include:
  1. Retail boot camp for newly opening stores ;
  2. Specialized training in experience-based retail;
  3. Use of mobile shopping tools;
  4. Retail employee training (customer service/marketing/Salem shopping); and
  5. On-line retailing/Google maps/other apps.
- Create a business ambassador program whereby community members and other business owner volunteers visit downtown businesses regularly (e.g. annually) to identify trends, concerns, and opportunities that can be addressed with additional training, technical assistance and capacity building. Interns can support the program but reviewing and summarizing visit survey results for larger trends and shared business concerns and issues. This outreach will be addition to the quarterly retailer meetings held by Salem Main Streets. These visits serve several purposes: (1) identify businesses with a pressing need that may warrant a direct response by SMS, City staff or other stakeholders; (2) surface broader trends, issues and capacity needs that inform the design of training, technical assistance and financing programs; and (3) inform businesses of available services and enlist their participation in events, promotions and other activities. Salem can use established materials and best practices for business calling and retention programs, of which this is a variation, to help organize and implement the ambassador program. Sources of this information include the University of Minnesota Extension Service (https://www.extension.umn.edu/community/business-retention/) and Business Retention and Expansion International (https://brei.org).
- Work with Salem State University to create internships and/or a project-based learning program for students to work with retail businesses to conduct an assessment, and then develop and implement plans around key business needs such as branding and marketing, digital business plans, on-line retailing, financial management, and other areas. This could be a targeted program around a specific need and goal (e.g., creating online stores) or a broader multi-purpose program. This could begin as a program in a specific department (e.g., business) and, once established, and expanded to involve multiple university departments and academic programs including advertising, business, computer science, and GIS. This program offers benefits to Salem State University by providing applied learning and work experience for students while helping businesses gain access to low-cost expertise and problem solving.

- Create a small grant program for improvements, equipment, or other start-up costs to open a new downtown business and help existing businesses implement targeted improvements, such as new interior store layout, an online store, mobile or digital marketing projects. This could be done by the City through an extension or modification of its Façade Improvement Grant program. Based on the nature of the recipient businesses and downtown promotion efforts, grant recipients could be required to expand store hours to stay open at night and/or participate in priority promotions as a condition of receiving the grant.

Figure 7. Implementation Action Plan: Grow Your Own Business Development

Project/Action	Implementation Parties	Resources	Phasing
Artist Row Incubation	City, Salem Main Streets, Enterprise Center, SCORE	Existing Artist Row New marketing/outreach Mentoring/counseling	Spring and Summer 2018, on-going
Retail Incubator	Property owner, City, Salem Main Streets, Incubator Manager, Enterprise Center MassDevelopment	Space for use under viable terms Incubator manager & funding Improvement funding Lease reserve/guarantee Initial pipeline of retailers	Plan and Organize 2nd half of 2018 Formalize plan, build-out , recruit first occupants: 2019 Spring 2020: Open
Business Training/TA Survey	Salem Main Streets, Chamber of Commerce	Staff/intern to design and administer survey	1st half 2018
Create New Training Programs	Salem Main Streets, Chamber of Commerce, Enterprise Center	Staff for program/content design Trainers Downtown training locations Seed funding	Design in 2nd half of 2018 Launch programs: 2018 Evaluate and adapt: ongoing
Business Ambassador Program	Salem Main Streets, Chamber of Commerce City Planning and Community Development Department	Staff to develop visit protocol, train volunteers, and coordinate visiting Volunteer ambassadors to conduct visits Staff/intern to analyze results and follow-up	Recruit volunteers and develop protocol: 2nd half of 2018 Plan and conduct visits: 2019 and ongoing Analyze results and respond: 2019 and ongoing
Salem State University Internship/Project Based Learning	Salem State University, Salem Main Streets, Mayor, Salem Partnership	Work-study or internship funding University program administrative staff Faculty Salem Main Streets staff to enlist businesses Advisory Committee	SSU buy-in; pilot dept/program selected early 2019 Design program – spring/summer 2019 Launch fall 2019 Evaluate, adapt, expand in 2020 and ongoing
Small Grant Program	City Planning and Community Development Department	Reallocate part of Façade Program funds or allocate new funds Staff to market and administer	2nd half 2018

Retail Marketing and Market Development

Strategy Overview and Action Steps

Marketing downtown Salem to area residents has been a challenging task but is important to build awareness of the breadth and uniqueness of downtown's retail offerings and foster greater interest and loyalty for shopping downtown. In Salem, customers do not discover the range of downtown stores by walking a linear corridor or sticking to a clearly identifiable shopping district. The size, unusual geography and distributed nature of Salem's shops requires special efforts to connect shoppers to the full spectrum of stores. On-going marketing of downtown as a shopping destination addresses the turnover of stores, supports increased event and experienced-oriented retailing and helps reach the diversity of households and shoppers within the trade area. Developing effective marketing approaches, as indicated by Portsmouth's experience, is a learning process whereby stakeholders need to test and track the impact of different approaches and adapt their efforts based on which tools and methods are successful. The following components of a customer marketing strategy are designed to build consumer awareness of Salem's retail offerings and the benefits of shopping downtown, leverage its position as a dining destination to expand retail sales and create the capacity to test, learn and adapt effective marketing approaches over time:

- Establish a Salem buy local campaign and branding to promote and encourage local shopping and link this campaign with new Destination Salem branding. An increasing number of communities have organized sustained Buy Local or Shop Local campaigns to promote broad patronage of local independent businesses and increase awareness of the positive economic and community benefits of buying from locally owned businesses. Business surveys conducted over several years by the Institute of Local Self-Reliance consistently report higher sales growth among communities with sustained Buy Local campaigns versus those without campaigns (7.4% versus 4.2% in the 2016 survey). Portland Maine has a successful Buy Local campaign initiated in 2006 and now run by the Portland Independent Business and Community Alliance with 450 members. In a recent survey, 68% of participating businesses indicated that they gained new customers as a result of the campaign.
- Continue to develop and test promotions to link dining and shopping in conjunction with stores staying open late. This might be a monthly event on a targeted night (e.g., a Thursday night) and/or as part of a restaurant week promotion. The goal is to use Salem's strength as a dining destination to promote interest in downtown as a shopping destination while stimulating more shopping and dining. A critical mass of stores and restaurants will need to sign on for the promotion to be viable and it will need to be supported by downtown wide and participant advertising.
- Work with store owners to create a data tracking system to help assess the impact of specific marking, promotions, technical assistance/training activities, and overall retail performance. A reliable source of customer and sales data is central to the "test, learn and adapt" approach to marketing proposed for the Action Plan, as it provides the before and after data to assess the impact of different activities, learn what is working, adapt tools and approaches, and expand adoption of effective activities, tools, and practices.
- Develop and test targeted marketing campaigns and promotions for different customer segments and communities to promote awareness of downtown as a shopping destination, increase retail sales, and encourage downtown customer loyalty among different types of customers. These efforts can help determine the most effective marketing channels and approaches for different customer segments and identify which customer groups are most

responsive to marketing and promotions. Such testing will require a core group of retailers to work with Salem Main Streets and Destination Salem to create systems to collect information on sales, number of customers, and customer residency and demographics (under the prior action step) and use this data to compare sales and customer responses to targeted marketing campaigns and different marketing outlets. For example, a promotion and advertising campaign aimed at young adults might first use social media and then radio ads. Participating retailers would track sales, customer visits and other metrics among young adults for the promotion period and compare this to comparable periods (the prior week, the same week the prior year, etc.) to evaluate if more young adults customers and sales resulted under either channel. Potential target market segments include: residents 55 and older, young adults, LGBT, Hispanic households and specific cities or towns, especially Marblehead, Salem, and Swampscott.

Figure 8. Implementation Action Plan: Retail Marketing and Market Development

Project/Action	Implementation Parties	Resources	Phasing
Salem Shop Local Campaign	Salem Main Streets Chamber of Commerce City Retailers	Existing staff Retailer participation, Promotions and advertising Funding for branding, materials, and marketing	Organize and secure buy-in : 1st half 2018 Develop branding and campaign elements: 2nd half 2018 Launch 2018 holiday season/early 2019
Create data tracking system to test impact of marketing and promotion tools	Salem Main Streets Chamber of Commerce Retailers	Existing staff Student interns	Develop and implement in 2018
Continue to Develop and Test New Shopping and Dining Promotions	Salem Main Streets Retailers Restaurants	Existing staff Training of employees Funds to market and advertise	Design and gain participation in 1st half of 2018; Implement and evaluate in 2019 and ongoing
Develop and test target marketing for different customer segments	Salem Main Streets Destination Salem Retailers	Existing staff Student interns/projects Funding for consulting, ads, and materials,	Design initial targeted campaign(s)- first half of 2019; implement and evaluate –second half 2019; on-going

Capacity Building and Placemaking

With the new activities and projects proposed under the business recruitment, business development and marketing initiatives, expanded implementation capacity is needed to effectively undertake these new initiatives. Expansion of Salem Main Streets' capacity and formalizing coordination among downtown stakeholders are the key actions proposed to support implementation. Two other recommendations seek to strengthen the Peabody Essex Museum

and key adjacent properties as a node for pedestrian-oriented activities and create a state-level initiative to support locally owned retailers.

- Establish a Main Street Partners Program to raise contributions from larger property owners, banks, businesses and non-profit institutions in order to add staff and program capacity at Salem Main Streets. The goal for this initiative is to raise $50,000 per year to support the additional of a part-time staff person, potentially from ten to twenty partners that contribute $2,500 to $5,000. Salem Main Streets will need to work with its Board, City leaders and the Salem Chamber of Commerce to identify the potential contributor base for this goal that compliments other community fund-raising initiatives. Potential partners/donors may include banks, larger developers and property owners, construction firms, professional service firms and major employers. Once the fund-raising goal and potential contributor base is established, a small group of private sector champions and early contributors/partners should be identified to build momentum and help lead the partnership campaign. Salem Main Streets should also explore becoming certified as a community development corporation under MGL 40H (as the Downtown Taunton Foundation has done), which would allow it to apply for Massachusetts Community Investment Tax Credits (CITC) as a tool to expand its funding base. This decision would need to be coordinated with the North Shore Community Development Corporation to ensure it does not impair their ability to raise funds with the CITC.
- Organize a downtown leadership committee of key stakeholders to meet regularly to coordinate and implement the Acton Plan and other initiatives, track their impact, and adapt them over time. One option is for the existing Economic Development Subcommittee of the Chamber of Commerce to take on this role.
- Prepare a strategic events plan for Salem Main Streets and the downtown. With the large number of events that Salem Main Streets now organizes and the need to free up time and resources to refocus on business development, recruitment, and retention, a reconsideration of downtown events and Salem Main Streets role organizing events is needed. This plan will assess which events are critical to sustain, which ones are best managed by Salem Main Streets, which events can be effectively managed by other organizations and events that may be appropriate to scale back or end. After establishing a committee to oversee the work , this plan would first evaluate which events have the greatest impact and value to downtown, the amount of time and resources required to organize each event and their financial performance (cover their costs, earn a profit or require a financial subsidy). Based on this assessment and decisions on which events are viable and desirable to spin-off, organizations with aligned missions and capacity to take over responsibility for some events would be identified, followed by discussions and plans to transition events to these new partners.
- With the Peabody Essex Museum (PEM) expansion and its increased footprint and interface with the Essex Street Mall, there is an opportunity to activate this area, reshape the image of this section of the mall, and make it a stronger center of pedestrian activity to enhance the environment for retail stores along the Essex Mall. Lark Hotels and Marley Properties, which own the Hotel Salem and Witch City Mall, respectively, are other important property owns that can contribute to activating and improving this area. The City and other downtown stakeholders can reach out to PEM, Lark Hotels and Marley Properties to promote the vision for a newly activated plaza on their front door.

Once PEM buys in to the vision, a team would work with the museum's leadership and other property owners to create a plan for programming, street furniture, and design to activate the outdoor plaza in front of the Museum, Witch City Mall and Lark Hotels and address funding and implementation of the plan. As part of this process, the City also may want to explore the benefits of and options to reopen the pedestrian mall to vehicular traffic.

- Since small retailers across Massachusetts face the challenge of adopting new technologies, and the vitality of many community centers is based on small independent businesses, there is a strong case for a state-level initiative to support small retailers in technology and best practice adoption, Salem can advocate for a state-funded small business retail technology initiative (and perhaps be a pilot community) that: (1) provides an "extension service" to help small and medium-sized retailers adopt and effectively use new technology; (2) fund and develop digital, mobile, and other new retail technology applications suitable for small and medium-sized retailers; and (3) serve as an expert and information resource on technology for small retailers and small business training and technical assistance providers.   Toronto's Digital Main Street Initiative (http://digitalmainstreet.ca/) is a model for this type of initiative. The John Adams Innovation Institute and MassDevelopment are potential state partners and funders with Salem State University and/or other universities as knowledge and research partners, and Salem Enterprise Center a key local implementation partner.

Figure 9. Implementation Action Plan: Capacity Building and Placemaking

Project/Action	Implementation Parties	Resources	Phasing
Establish Main Street Partners Program	Salem Main Streets, Mayor	Staff and support materials on Main Streets' impact	Plan program/campaign: 1st half of 2018 Raise funds: 2nd half of 2018
Downtown Leadership Committee	City Planning and Community Development, Chamber of Commerce, Salem Main Streets, Salem Partnership, Destination Salem, Enterprise Center, others	Existing staff	2018 and on-going
Salem Main Street Events Strategic Plan	City Planning and Community Development, Chamber of Commerce, Salem Main Streets Creative Salem Salem Arts Association	Staff and student intern Consultant for assistance	Prepare Plan – 2nd half of 2018; Implement/Spin-off events: 2019.to 2020
PEM/Essex Mall Public Space Programs	PEM, Lark Hotels. Marley Properties Salem Main Streets, City Planning and Community Development	Funding for street furniture, events, other programming	Planning in first half 2019 Implementation: 2nd half of 2019 and on-going
State Retail Technology Initiative	Chamber, Salem State University, Enterprise Center, Salem Partnership, Mayor, legislative delegation	State appropriation and/or funding from MassDevelopment, John Adams Innovation Institute	Advocacy: spring 2019 (for FY2020 budget) Implement 2020 to 2021

Figure 10. Implementation Timeline for Retail Action Plan

Project/Action Item	First half 2018	Second Half 2018	First half 2019	Second Half 2019	First half 2020	Second Half 2020	Ongoing After 2020
Business Recruitment and Property Leasing							
Form Downtown Leasing and Recruitment Team	▓						
Outreach to Property Owners	▓						
Update Materials		▓					
Activate team and work to fill vacancies		▓	▓	▓	▓	▓	▓
Loans/Incentives to Sub-divide Larger Retail Spaces		▓	▓	▓	▓	▓	▓
Leasing Plan for New Retail Development	▓						
Grow Your Own Business Development							
Artist Row Incubation	▓	▓	▓	▓	▓	▓	▓
Retail Incubator	▓	▓	▓	▓	▓	▓	▓
Business Training/Technical Assistance Survey	▓						
Create New Training Programs		▓	▓	▓	▓	▓	▓
Business Ambassador Program		▓	▓	▓	▓	▓	▓
Salem State University Internship/Project Based Learning			▓	▓	▓	▓	▓
Small Grant Program		▓					
Retail Marketing and Market Development							
Salem Shop Local Campaign	▓	▓	▓	▓	▓	▓	▓
Data Tracking System to Test impact of Marketing Tools	▓						
Develop and Test Shopping and Dining Promotions	▓	▓	▓	▓	▓	▓	▓
Develop and Test Marketing for customer segments			▓	▓	▓	▓	▓
Capacity Buildings and Additional Actions							
Main Street Partners Fundraising Campaign	▓	▓					
Downtown Leadership Committee	▓	▓	▓	▓	▓	▓	▓
Strategic plan for Salem Main Street Events		▓	▓	▓	▓	▓	
PEM/Essex Street Mall Public Space Program			▓	▓	▓	▓	▓
State Retail Technology Initiative			▓	▓	▓	▓	▓

Appendix:
Literature Review for National Retail Trends Analysis

Accenture. "Retail Industry Leaders Association and Accenture Launch Innovation Center to Help America's Top Retailers Harness Technological Change." 13 March 2017. Accenture Newsroom. https://newsroom.accenture.com/news/retail-industry-leaders-association-and-accenture-launch-innovation-center-to-help-americas-top-retailers-harness-technological-change.htm

- The Retail Industry Leaders Association (RILA) is an American trade association of leading retail companies.
- RILA and Accenture announce the launch of RILA's Tech Center for Innovation. The initiative will explore the impact that technologies like artificial intelligence and virtual reality will have on the retail industry and help retailers create innovative ways of doing business. Initiative will bring together retailers and technology startups to explore the industry transformation that is being driven by digital technologies.

Accenture. "The next wave of disruptors: five game changing technologies for retailers." 2017. Accenture Strategy. Accessed 20 Aug 2017. https://www.accenture.com/us-en/insight-next-wave-disruptors-five-game-changing-technologies

- Over the past decade, we've seen a steady state of disruptive technologies, driven by advances in mobile computing, social media, and cloud-based services.
- The five game changing technologies are: Internet of Things (IoT), wearable computing devices, cognitive computing and machine learning, digital fabrication, and digital payments.
- The IoT movement offers retailers opportunities in three critical areas: customer experience, the supply chain, and new channels and revenue streams.

Ankeny, Jason. "7 trends that will disrupt and define retail in 2017." 10 Jan 2017. Retail DIVE. http://www.retaildive.com/news/7-trends-that-will-disrupt-and-define-retail-in-2017/433542/

These are both the best and worst of times for retail. In January 2017, the industry is coming off a record-setting holiday shopping season, with both physical and online channels experiencing growth. However, national chains all suffered brutal holiday seasons, calling into question what can be done to compete more effectively in an increasingly digitized world. These are seven trends poised to dominate retail:

- Closures and consolidations will continue speedily.
- Increasingly distressed, malls will soon be the place to go as mixed-use centers incorporating entertainment, hospitality, and residential. Also noted is healthcare as a major component -- several medical facilities are moving into traditional malls.
- Voice-activated shopping makes shopping effortless.
- Walmart will continue its bold and strategic steps to innovate. It acquired online commerce upstart Jet, made moves to upgrade brick and mortar stores, expanded omnichannel horizons, and offered free, same day online grocery pickup.
- There will be more emphasis placed on the omnichannel experience as companies look for new ways to connect to customers online and offline.

- Retailers will get to know their customers better through customer experience teams and investment in technology that helps understand consumer preferences.
- E-commerce will continue to make the world smaller. In the last year, about two-thirds of consumers across the world have shopped cross border.

Bain, Mark. "US retailers are on pace to close more stores in 2017 than in the 2008 Great Recession." 24 April 2017. Quartz. https://qz.com/967055/us-retailers-are-on-pace-to-close-more-stores-in-2017-than-in-the-2008-great-recession-m-bebe/
- US brick and mortar retailers are bleeding badly. E-commerce is gobbling up a growing share of sales, store productivity has dwindled, and consumer shopping habits are shifting toward fast, cheap fashion and away from stuff entirely.
- Given store closings in first quarter of 2017, the US retail industry is on pace to close more stores this year than the 6,200 shuttered during 2008.

Bain, Mark. "A fantastical new world of high-tech, high-concept stores is here." 14 April 2017. Quartz. https://qz.com/956745/retail-experiments-from-farfetch-nike-and-amazon-offer-visions-of-the-store-of-the-future/
- A super fun, fancy hangout spot
- Personalized products, made while you wait
- A high-tech mash-up of the offline and online
- Perfect, frictionless convenience, with no human contact

Chaney, Paul. "Small Businesses Adopt New Technology But Rely on Tried-and-True, Survey Says." 15 Jun 2016. Small Business Trends. https://smallbiztrends.com/2016/06/technology-adoption-survey.html
- This article cites a study that reports that small businesses are between the old school approach and the cloud when it comes to adopting new technology trends and businesses practices in the workplace. While business owners embrace new trends such as the use of cloud-based technology and the mobile, remote workforce, they still hold on to the tried-and-true when it comes to conducting business on a daily basis.
- The bottom line is that for most small businesses, it's not an either/or proposition. They can adopt the use of new technologies and still rely on the tried-and-true ways of doing business.

Clifton, Jamie. "Why are so many people obsessed with Supreme?" 18 Jul 2016. Vice. https://www.vice.com/en_us/article/5gq393/supreme-and-the-psychology-of-brand-devotion
- If any brand is in control of its image, it's Supreme. Supreme morphed from a bricks and mortar hangout for downtown skate kids to a cult global brand whose eclectic output rivals that of some of the world's most established fashion houses.
- Hype is the most cited reason for the brand devotion: "that the buzz around the brand is what sustains that same buzz."
- Supreme has continued to make a limited amount of product so as not to get stuck with stuff nobody wants. Over the past decade or so, a huge amount of importance has been put on "authenticity" both by brands and individuals.

Corkery, Michael. "Is American Retail at a Historic Tipping Point?" 15 April 2017. The New York Times. https://www.nytimes.com/2017/04/15/business/retail-industry.html

Dennis, Steve. "Retail's single biggest disruptor. Spoiler alert: it's not e-commerce." 12 June 2017. Forbes. https://www.forbes.com/sites/stevendennis/2017/06/12/retails-single-biggest-disruptor-spoiler-alert-its-not-e-commerce/#12aa2562227b
- The retail industry is undergoing a tremendous amount of change. Record numbers of store closings. Legacy brands going out of business--or teetering on the brink of bankruptcy. Venture capital funded start-ups wreaking havoc upon traditional distribution models and pricing structures. Discount-oriented retailers stealing share away from once mighty department stores. And then there's Amazon.
- In assessing what is driving retailers' shifting fortunes most observers point to a single factor: the rapid growth of e-commerce. But they'd be wrong.
- Yet a far more profound dynamic is at play, namely what some have termed "digital-first retail." Digital-first retail is the growing tendency of consumers' shopping journeys to be influenced by digital channels, regardless of where the ultimate transaction takes place.
- The points of this article are that: the majority of physical store sales start online, digitally-influenced brick and mortar sales dwarf e-commerce, increasingly mobile is the gateway, and it's a search driven world.
- While e-commerce now accounts for (depending on the source) some 10% of all retail sales, both Forrester and Deloitte have estimated that web-influenced physical store sales are about 5X online sales.

Dolce, Natalie. "Retailers now have tremendous option in new submarkets." 24 May 2017. GlobeSt.com
- Cushman & Wakefield's director of retail brokerage in Miami says that smaller trade areas have emerged and provide retailers with a variety that allows them to be far more precise in their expansion strategy than ever before
- "Market segmentation really began to take hold over the last cycle. Driven by overall market density and quite a bit of speculative investment, smaller trade areas have emerged like Wynwood, The Design District, and South Miami, each of which have their own character and customer."
- New retail submarkets are on everyone's must-understand list. A retailer that once had very limited choices when it came to distribution points now has a tremendous amount of options. This variety allows them to be far more precise in their expansion strategy than ever before.

Dumcius, Gintautas. "How one Massachusetts downtown bounced back from the crippling shadow of a mall and Walmart." 9 Aug 2017. Mass Live. http://www.masslive.com/news/index.ssf/2017/08/hudson_how_this_small_massachu.html
- Like other small New England towns, Hudson (population 20,000) and its main street were struggling in the shadow of malls, Walmart and big box stores. About a decade ago, there were almost 40 empty storefronts lining Main Street.
- A group of local residents created the Hudson Business Association which now has more than 60 members.

- When a new Hudson planning director arrived in 2015, one of first things he did was adjusted the downtown area's zoning to include new residential uses. Also key before his tenure was creation of the Assabet River Rail Trail and area's historic buildings being in good shape and ready for occupancy. Proximity to Interstate 495 and the dense but walkable scale of the downtown made the area ripe for development.
- Medusa Brewing Company was one of major reasons for the Hudson downtown revival, according to Hunter. Rail Trail Flatbread Co. and Medusa Brewing now serve as bookends for downtown Hudson.

Farfan, Barbara. "2016 Retail Industry Overview." The Balance. 16 July 2017. https://www.thebalance.com/us-retail-industry-overview-2892699
- As of May 2015, 15.7 million people were employed in the U.S. retail industry according to the U.S. Bureau of Labor Statistics. However, retail employment expanded every month in 2015, except for January. This suggests that the growth of the U.S. retail industry overall is outpacing aggregate of individual retail chain downsizings and bankruptcies.

Goldstein, Phil. "2017 Technology Trends for Small Business." 24 Jan 2017. BizTech. https://biztechmagazine.com/article/2017/01/2017-technology-trends-small-business
- Small and medium-sized businesses will content with IoT security, cloud adoption, AI chatbots, mobile payments and collaboration chat tools in the year.
- According to IDC's 2016 "State of the SMB Cloud" report, in the last five years SMB cloud adoption nationwide has gone from under 20 percent of firms to more than 70 percent for small companies (fewer than 100 employees) and more than 90 percent for midmarket firms (100-999 employees).
- While small and medium-sized businesses are less likely to adopt AI solutions on a massive scale, especially compared to larger enterprises, AI could start to seep into SMB workplaces in the form of intelligent chatbots that can interact with customers online or via mobile devices.
- According to research firm Javelin Strategy, mobile proximity payment volume has tripled since 2013 — it reached a staggering $10 billion in 2015 — and is expected to increase to $92 billion by 2019.
- While email is still a dominant form of workplace communication, usage of collaboration tools such as Google Hangouts, Slack, and Skype for Business are clearly on the rise, with 42 percent of companies of all sizes currently taking advantage of them and more looking to adopt them in the future.

Gregg, Brian and Maher Masri. "The future of brick and mortar retail in the digital era." Sept 2012. McKinsey & Company. http://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-future-of-brick--mortar-retail-in-the-digital-era
- According to McKinsey's iConsumer initiative, two years ago about 15% of shoppers checked prices on mobile devices when they were in a store. Now the number is closer to 50%. And of those 50% who checked, ⅔ of them changed their buying decisions because of it.

- It's clear that all channels matter - in store, online, mobile - but their power is how they can work together. Many retailers understand this but it's often a daunting task to deliver on and it's not clear where to start.

Innovation Economy Partners & Camoin Associates. The Case of Disappearing Main Street Retail. 2017.

Retail is often overlooked in economic development but is important in creating neighborhood and cultural vibrancy, creating practical workforce training opportunities and as an entry point for entrepreneurs. Discusses five trends that can help create more successful retailers and Main Streets:

- Main street retailers need to provide an authentic local experience through products and services with several retailer examples
- Embrace the sharing economy
- Build a multi-sensory product and service experience by combining on-line and in-store shopping, social media and using applications to track and understand customers
- Use demographics to your advantage by adapting the store concept and experience to different demographic groups, such as a growing population 65+, millennials and free-lance workers less
- Be local and sell global including using existing on-line platforms including Esty and Amazon

Includes recommendations on approaches and tools communities can use to strengthen local retailers and their local retail economy.

Kohan, Shelley E. "Brick-and-Mortar Retail Trends 2017." 22 Feb 2017. Retail Next. https://retailnext.net/en/blog/brick-and-mortar-retail-trends-2017/
- "Product is King"
- The Shopper Journey - value, pitfalls, relationships
- Synergistic smart store ecosystems
- Shared intelligence
- Portfolio strengthening
- Mobile purchasing
- Surge of Internet of Things in the retail space

KPMG. "Global retail trends 2017." June 2017. https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2017/06/retail-trends.pdf https://home.kpmg.com/xx/en/home/insights/2017/06/global-retail-trends-2017.html
- Technology changing customer experience. The retailers who are adapting and evolving are those who will likely succeed.
- Mobile shopping continues to grow.
- Creating a meaningful customer experience and brand engagement is critical. Customer experience is the next competitive battleground.
- Personalization is the future of retail. According to the HSO report "The importance of personalization in retail," businesses that are personalizing online user journeys, and who are also able to quantify the improvement, are seeing an increase in sales of 19 percent.

- Attracting and retaining talent is critical to meet the growing needs of the marketplace.

Morgan Stanley Voice. "Shopping for Opportunities as Online Rocks Retail." 23 May 2017. Forbes. https://www.forbes.com/sites/morganstanley/2017/05/23/shopping-for-opportunities-as-online-rocks-retail/#1cfc9b430ca5
- Consumer spending represents 70% of the U.S. economy, with retail about one third of that. Retail is under pressure due to shoppers' growing preference for online purchases, overbuilding of stores, and rising interest rates.
- While retail stocks are up 7% in the year, a deeper examination shows that nearly half of retail stocks are down for the year to date since of the largest index constituents are e-commerce only and have double-digit returns that offset declines from traditional retailers.
- Online sales account for up to 8% of the retail market. They are growing at a 14% annual rate versus 4% for total retail sales. Many specialty retailers initially sidestepped the growth in e-commerce by expanding their geographic footprint, however more than 2,000 store closings have been announced this year.
- Morgan Stanley Wealth Management is now focusing on consumer-facing businesses with recurring customer sales and customer loyalty, secular growth and the least exposure to store closings:
  - Business models with high upfront costs often lead to recurring sales.
  - Consumer companies with favorable secular growth.
  - Second-order effects on store traffic and inventory.
- This article concludes that a focus on consumer captivity, recurring revenue and secular growth while avoiding second order impacts should reduce risk and leave to better returns.

Nielson. "E-commerce is fueling U.S. retail growth and omni-shopper opportunities." 27 April 2017.
http://www.nielsen.com/us/en/insights/news/2017/e-commerce-is-fueling-us-retail-growth-and-omni-shopper-opportunities.html
- Knowing where consumers are shopping is key to devising a comprehensive retail strategy to succeed in today's increasingly digital marketplace. Even more important is understanding which categories are driving growth, online impulse shopping trends and how generations shop differently online
- E-commerce represents a small but growing portion of fast-moving consumer goods sales in the U.S. In first three quarters of 2016, e-commerce represented an average of 8.1% of total U.S. retail sales.

Pearson, Bryan. "7 Under the Radar Retail Trends for 2017." 16 Dec 2016. Forbes.
https://www.forbes.com/sites/bryanpearson/2016/12/28/7-under-the-radar-retail-trends-for-2017/#fdd11655972b
From retail industry experts:
- "The Menaissance." For the first time ever, men are outspending women by 13% and early indicators predict that menswear market will expand 8.3%.

- Getting personal, artificially. The savviest retailers are taking advantage of advancements in machine learning, deep analytics, and artificial intelligence for a more targeted and personalized shopping experience.
- Co-shopping within households means retailers will want to examine household data to better identify shopper preferences within households.
- Having phone will be more important than physical wallet.
- Small will be next big. Demographic shifts with both aging baby boomers and young millennials looking for a more personal shopping experience, as well as heightened expectations from affluent consumers, will favor the special services and products that only local small businesses can provide.
- More brands actively engaging in crowdsourced products. Digital and social media has provided countless opportunities to engage with many people - helping level the playing field by democratizing access to people.
- Digital marketplaces will allow for adoption of more visual, collaborative and social tools.

Plunkett Research Ltd. Plunkett's Retail Industry Almanac 2006. Retail Industry Market Research, Statistics, Trends and Leading Companies.
- Plunkett's Retail Industry Almanac is published yearly and aims to cover the complete retail picture in the U.S.
- In their 2006 edition, major trends affecting the retail industry are: Wal-mart dominates as the world's biggest retailer; Heating up competition and driving retail prices down; Department stores have evolved into giant apparel, cosmetics and accessories stores; Name changes, buyouts and consolidation alter the department store landscape; discounting and discount stores evolve; category-killers struggle to keep up with discounters; sophistication and success for direct marketers; rise of showcase stores and super-merchandisers; bricks, clicks and catalogs create synergies while online sales boom; retail technologies leap ahead; retailers find new markets in China while India's retail industry is poised for enormous growth; yahoo!, eBay and Amazon create new ways of retailing; entertainment-based retailing; shopping centers continue to develop and expand; malls morph to stay afloat; kids' items spark new store concepts; luxury items move for big bucks; how to interpret reports of retail sales
- Plunkett's provides a brief history of the department store: originally it was developed and enhanced by retail pioneers in France and America from the 1850s through the early 1990s. The department store was envisioned as an antidote to shopping at endless blocks full of small, mom and pop specialty stores such as hat stores, furniture stores, hardware stores and shoe stores. They were based on the idea that housewives liked to find everything under one roof, and shopping at them was an all day affair. Through the decades, taste and consumer needs evolved. Downtown shopping fell out of favor starting in the 1960s. The advent of the enclosed mall dictated a new role for department stores as anchors of these malls -- a role that became less successful as time passed.

PricewaterhouseCoopers. "The race for relevance. Total Retail 2016: United States." February 2016. https://www.pwc.com/us/en/consumermarkets/publications/2016-total-retail-survey-us/us-key-findings.html
https://www.pwc.com/us/en/retail-consumer/publications/assets/total-retail-us-report.pdf

- Global trends set a high bar for US mobile commerce
- Digital natives lead the mobile commerce charge
- How online shoppers define value
- Entice me in, then keep me interested so I'll stay
- Brand trust requires continual attention
- Social commerce: the power of community

Ramcharran, Harri. 2013. E-Commerce Growth and the Changing Structure of the Retail Sales Industry. International Journal of E-Business Research 9(2), 46-60, April-June 2013.
- While recent studies of the growth in e-commerce retail sales example mainly supply side factors, the author provides evidence of significant demand side factors. The policy implications for growing e-commerce sales necessitate strategic policies for planned expenditures on R&D and investments in information technology as well as the efficient use of store space by traditional retailers.

Ramthan, Khairiyah. "Here's what brick-and-mortar retailers need to do, according to one analyst." 19 May 2017. CNBC. https://www.cnbc.com/2017/05/19/heres-what-brick-and-mortar-retailers-need-to-do-according-to-one-analyst.html
- According to Kenny Yeo, senior industry analyst at Frost & Sullivan -- Automation, awareness, immersion are key technological drivers that retailers should focus on.
- Automation helps with basic standards tasks, such as stock-taking.
- Awareness allows retailers to use technology such as online trackers to detect both the physical interaction of customers in stores as well as shopping habits on websites.
- Immersion gives retailers the power to influence customers' buying habits in store and online by using previously collected information from tracking services.

Ray, Ramon. "Top 4 Retail Technology Trends for 2017." 26 Dec 2016. ShopKeep. https://www.shopkeep.com/blog/retail-technology-trends-2017
- One of the greatest challenges for small retailers is keeping up with the fast pace of technological change.
- As a former technology consultant, Ramon Ray discusses the 4 top retail technology trends that retailers should consider: they can embrace mobile technology and mobile payment methods, use video marketing, use social commerce, and offer same-day delivery options potentially through third party delivery services

Retail Across America Student Association Correspondent. "Small Business Retail is a Big Deal in Massachusetts." 25 Aug 2015. National Retail Federation. https://nrf.com/news/small-business-retail-is-big-deal-massachusetts
The National Retail Federation is the world's largest retail trade association, representing discount and department stores, home goods and specialty stores, Main Street merchants, grocers, wholesalers, chain restaurants and Internet retailers from the United States and more than 45 countries.
- In Massachusetts, three-quarters of retailers are small, individually- or family-owned businesses.

Rigby, Darrell. "The Future of Shopping." Dec 2011. Harvard Business Review.
https://hbr.org/2011/12/the-future-of-shopping
- An industry stuck in analog.
  - Retailers were burned by the e-commerce hype during the dot-com bubble.
  - Digital retailing threatens existing store economics, measurement systems, and incentives.
  - Retailers tend to focus on the wrong financial metric: profit margins.
  - Conventional retailers haven't had great experiences with breakthrough innovation.
- Redesign shopping from scratch
  - Pathways and pain points
  - The experience of shopping
- The omnichannel organization

Riggins, Nash. "10 Clever Ways to Improve Your Small Business Mobile Strategy." 5 Jul 2016. Small Business Trends.
https://smallbiztrends.com/2016/07/mobile-strategy-small-business.html
- We are in a golden age of business technology. Small business owners have to keep up with the times to stay competitive. However, a vast number of companies are still wary of hopping on the bandwagon, instead tending to rely on traditional, tried-and-testing marketing methods. This article lists 10 relatively easy mobile strategies for small businesses with some links to resources: 1. Make sure your website is mobile-friendly; 2. Use responsive design; 3. Try sending some texts; 4. Use social media; 5. Optimize your emails; 6. Use abbreviated URLs; 7. Use QR codes; 8. Use Google AdWords; 9. Buy mobile ads; and 10. Create mobile-friendly content.

Ritholtz, Barry. "US stores are big, boring and expensive." 24 March 2017. Bloomberg.
https://www.bloomberg.com/view/articles/2017-03-24/u-s-stores-are-too-big-too-boring-and-too-expensive
- The US has more retail square footage per capita than any other nation.
- Shoppers want experiences more than stuff.
- Millennials shop differently. They have little affinity for cars, not been big buyers of homes though this may change, and value experiences over things.
- Consumers have learned how much markups can be in retail, and when they believe they are overpaying they are less likely to repeat business.

Robinson, Sheree. "Why becoming a digital-first brand is key to survival." Total Retail. Accessed 22 Aug 2017.
http://www.mytotalretail.com/webinar/why-becoming-a-digital-first-brand-is-key-to-survival/
- The world's leading brands, from Apple to Nike to Wal-Mart, are evolving into digital first organizations. They're investing money and resources (i.e., people) into creating product content (descriptions, benefits, images, videos, reviews) that serves as the bridge between the online and offline worlds, helping consumers shop when, where and how they want. Rich product content — available both in-store and online — has gone from a nice-to-have to a must-have for brand manufacturers and retailers looking to drive sales.

- This is an announcement for a webinar with speakers from eCommerce, ABT Electronics, and SportStop.com that focuses on how to align people and infrastructure needed to undergo a digital transformation, why product content should be the lifeblood of brand digital strategy and the role of technology in a brand's digital evolution.

Rossenfeld, Carrie. "Retail owners must be flexible." 22 May 2017. GlobeSt.com
- As retail evolves, retail owners need to have the flexibility to cater to changing market demands. GlobeSt.com spoke with Westwood Financial's CEOs:
- Retailers are searching for the right balance. The right store footprint and the right number of stores in a market supported by a home delivery option. While not always practical, where owners can be flexible, it is a valuable tool for competing for new tenants and retaining existing ones in an evolving marketplace.
- The mainstream headlines are that e-commerce is taking over the retail world and brick-and- mortar stores are antiquated and dead. That can't be further from the truth. According to the US Census Bureau, 90-percent of retail sales are NOT done online and over 90-percent of pure online e-retailers lose money, hardly a sign of an apocalypse. E-commerce clearly had a serious impact, but just as important to the failures was traditional retails entrenchment in the past, overleveraged balance sheets, lack of imagination and poor execution.

Rossenfeld, Carrie. "Why retailers need local experts to help them right size." 17 May 2017. GlobeSt.com

Retailers need help now more than ever from those with market knowledge and local expertise to help them find the right location for their business to thrive and grow for years to come, according to Mid-America Real Estate-Wisconsin's principal. Main points in an interview with him:
- Retailers are benefiting from the space left behind by big-box retailers by being strategic about potential opportunities, and being prepared to respond immediately when retail space comes on the market.
- Big-box retailers are adapting to the changes that have hit their sector -- whereas ten years ago all the revenue that large retailers made was in a store, now revenue is coming from stores and online, so retailers recognize they don't necessarily need as much gross leasable area and are going online.
- Local market experts are helping big-box and small-but-growing retailers right size their space with right co-tenancy for greater efficiency. They help execute on a strategic plan instead of being reactionary.

Rowell, Catherine. "The US retail industry - what's been going on?" 5 June 2017. Business Review USA. http://www.businessreviewusa.com/leadership/5864/The-US-retail-industry-whats-been-going-on
- Amazon - placing significant investment in technological applications such as drone delivery and Amazon prime
- Walmart is seeing trends within the retail industry and responding to customer demands for more efficiently has invested in headsets to support store workers in providing first-class customer service and management training and is testing same-day home delivery

Samit, Jay. "Commentary: Brick and Mortar Retail is About to Get a Technology Makeover." 23 June 2017. Fortune: Tech http://fortune.com/2017/06/23/retail-grocery-market-tech/
- Traditional retail is about to have a bold resurgence thanks to two disruptive technologies: augmented reality and artificial intelligence.

Schlossberg, Mallory. "Lululemon is avoiding the retail industry's worst trend." 14 Jan 2016. Business Insider. http://www.businessinsider.com/lululmeon-has-avoided-steep-discounts-2016-1
- Lululemon has created a brand around a product that consumers expect to purchase at full price
- According to CEO Laurent Potdevin, the company sold 90% of its apparel at full price between Cyber Monday and Christmas, She also says that he said that the company said sold 85% of its merchandise at full price for the quarter so far.
- By comparison, J. Crew stores resort to frequent discounts. J. Crew also opened a cheaper counterpart this past year, J. Crew Mercantile. This low-priced version of J. Crew is similar to its factory store, and therefore runs the risk of devaluing the brand as a whole. Brands like Coach or Michael Kors also show that off-price distribution can become dangerous.
- Wells Fargo analysts pointed to three changes the brand would be make to send sales surging: improved designs, improved production, and a tightened supply chain.

Schlossberg, Mallory. "These 4 retailers are crushing the industry." 17 Mar 2016. Business Insider. http://www.businessinsider.com/the-most-successful-retailers-2016-3
- The retail industry is struggling. But Morgan Stanley recently executed a study, highlighting which retailers are winning and which are losing. It considered 11 factors and took them into account for over the past decade. They included protection from what Morgan Stanley calls the "Amazon threat" and consistent growth in comparable sales.
- Four retailers that are surviving in an otherwise difficult time are: Ross, TJ Maxx, Lululemon, L Brands
- The author attributes success to the following: TJ Maxx and Ross - nobody has figured out how to sell off-price clothing very well on the Internet. Lululemon - has managed to avoid the incessant discounting trend. The company has convinced women to a pay a premium. The store sells a lifestyle and an experience in addition to just apparel. L brands: Victoria's Secret chooses models they believe female customers will relate to, and that strategy is working. Bath & Body Works has capitalized millennials' love for nostalgia for older fragrances.

Sopadjieva, Emma, Utpal M. Dholakia, and Beth Benjamin. "A Study of 46,000 Shoppers Shows that Omnichannel Retailing Works." 3 Jan 2017. Harvard Business Review. https://hbr.org/2017/01/a-study-of-46000-shoppers-shows-that-omnichannel-retailing-works
- Online retail is throwing while traditional retailers are seeing large traffic declines. Retail sales through digital channels increased by 23% in 2015 while aggressively expanding into new categories like grocery and fashion.
- In this difficult environment, traditional retailers have staked their futures on omnichannel retailing. This study sought out to answer the question: are omnichannel shoppers are more valuable to retailers? They collaborated with a major U.S. company

that operates hundreds of retail stores across country and studied the shopping behavior of 46,000 customers.

- Findings showed that with confidence, omnichannel customers are more valuable to the retailer. Omnichannel customers are avid users of retailer touchpoints. Also, the more channels customers use, the more valuable they are.

SweetIQ. "The Future of Retail: In Stores Now." SweetIQ Analytics Corp. 2016. https://sweetiq.com/resource/future-retail-stores-now/

SweetIQ offers a suite of local products and services combined with strategic insight of Local Experts to list hundreds of businesses on search and discovery sites. SweetIQ was acquired by ReachLocal and a part of Gannett Co, Inc (NYSE: GCI) with a vision to change the local search marketing and listings industry while expanding reach from Canada and US to world.

- According to their free e-book, over the next 5 to 10 years brick and mortar stores and the complete retail experience will undergo a dramatic overhaul. Key findings of the e-book are:
    - Millennials and other digital native generations are now in charge.
    - Omnichannel equals seamless shopping experiences.
    - In-store experience is everything to your customers.
    - Technology is already helping retailers build the store of the future.

Synchrony Financial."The Future of Retail: Insight and Influences Shaping Retail Innovation." March 2017. http://newsroom.synchronyfinancial.com/document-library/future-retail-0

- Synchrony Financial developed this report through a study that included 1,000 consumers nationwide and interviews with retail experts.
- Retail is being reshaped by the accelerated pace of new technology and changing consumer shopping patterns: 1. Technology will bring on a new era of DIY shopping. Self-service will make shopping faster, easier, and fun. 2. "Automation nation": as customers willingly provide more personal information, they'll demand that retailers use that information to deliver better, customized products and offers. This give and take will drive customer loyalty. 3. Brick and mortar's reason for being will be entertainment and engagement. Retailers who tap into the trend of delivering products and genuine brand experiences are emerging. 4. Feelings of angst about acquiring too much "stuff" is driving a shift toward purchasing experiences rather than things. Another trend is concern for the environment, Consumers feel brands must have a strong "reason for being" and that retail must streamline and consolidate brands in the future. 5. Technology is creating a more demanding shopper base that expects that what they purchase be available immediately. 6. Gap between home and store will be expected to be bridged through virtual reality, service at home, purchase on demand, etc.

Thau, Barbara. "Five signs that stores (not e-commerce) are the future of retail." 27 June 2017. Forbes. https://www.forbes.com/sites/barbarathau/2017/06/27/five-signs-that-stores-not-online-shopping-are-the-future-of-retail/#68c3dbab4641

- All but one of the top ten US retailers are physical chains
- Stores are more profitable than e-commerce
- Amazon purchased Whole Foods
- Millennials and Generation Z prefer real-life stores

- Online retailers are being eaten by legacy retailers

Thoelcke, Trey and Michael B. Sauter. "The 9 most successful retail stores in the USA." 18 Nov 2012. USA Today. https://www.usatoday.com/story/money/business/2012/11/18/most-successful-retail-stores/1710571/
- 24/7 Wall Street identifies the 9 most successful retail stores in the U.S. In descending order, these are America's most successful stores in terms of profit per square feet: Apple, Coach, Tiffany & Co, Lululemon Athletica, Michael Kors, Select Comfort, True Religion, Vera Bradley, Birks & Mayors

Uzialko, Adam. "40 Small Business Trends and Predictions for 2017." 1 Jan 2017. Business News Daily. http://www.businessnewsdaily.com/7605-business-trend-predictions.html
This article lists 40 key ideas, trends, and predictions for small businesses. Below are select items:
- Business climate: entrepreneurial confidence in the economy could spur new investments. Niche companies will find success.
- Finance and investment: Crowdfunding will play a key role in financing small businesses.
- Technology: AI use will grow amongst small businesses. Ease of access through the latest technology will be a priority. E-commerce will become more competitive. Internet of Things (IoT) technology will mature. Augmented reality will become more common in 2017. Customer relationship management is about to get a whole lot smarter.
- Marketing and social media: The importance of video will grow. Social media will be increasingly used as a sales platform. Direct-to-Consumer Brands Focused on Offline Marketing and Selling.
- Customer experience: more collaboration across industries means knowing your partners well. Customers will look for quality offline experiences. Companies will harness tech to enhance the user experience even further.

Wahba, Phil. "The Death of Retail is Greatly Exaggerated." 9 June 2017. Fortune. http://fortune.com/2017/06/09/retail-store-closings-ecommerce/
- 2017 has been a year for the record for traditional retailers: national brands such as J.C. Penny, Macy's, and Sears kicked off the year by reporting awful holiday season results then announcing hundreds of store closings. Credit Suisse projects about 8,640 stores across retail will close by the end of the year, a far greater number than any year in memory, and worse than at the height of the 2008-09 financial crisis. As of early May, S&P Global Market Intelligence tallied a record of 18 retail bankruptcies, already matching the total for all of 2016.
- This author argues that these are not necessarily symptoms of an industry-wide meltdown. Retail industry spending in the first four months of the year rose 3.6% compared with the same period in 2016.
- However, the way consumers spend has changed, and there's likely to be more pain ahead for stores that can't adapt. One of the biggest problems is shoppers' discount addition. The shift online has meant less need for malls and megastores, and U.S. already has almost twice the retail square footage per capita of Europe. Many retailers' supply chains are out of date, leaving them unable to keep up with consumers' fast-changing and

localized tastes. Companies hurting worse have some things in common: a disproportionate number are apparel chains and department stores selling undifferentiated products. Chains scooped up during the recession by private equity firms, and loaded with a lot of debt, were also hard hit.

- Retailers doing quite well -- Walmart, Home Depot, Costco, T.J. Maxx, and Best Buy -- have evolved with consumers, remaking their stores, while creating robust e-commerce platforms.
- Look beyond chains and department stores and you'll see a pretty healthy retail industry.