Virginia Main Street

MONITOR

TECHNICAL BRIEF

Winter 2006

Inside this issue

Store Image Self-Audit 4

E-Commerce: A Growing Opportunity for Main Street Retailers 5

People, Places & Happenings 6

Downtown Development Calendar 8

The Virginia Department of Housing and Community Development's Main Street Program provides downtown revitalization technical assistance to Virginia communities, using the National Main Street Center's Four Point Approach ™ (Organization, Promotion, Design & Economic Restructuring) to comprehensive preservation-based revitalization of historic commercial districts.

Department of Housing and Community Development

Storefronts: A Downtown Retailer's Most Important Advertising Asset

By Stephen Versen

When Virginia's downtown retailers first inhabited what we now consider our traditional commercial districts, television was science fiction and full-color print advertising a rarity. Retailers of the day only had their storefronts to visually awe and attract customers.

These early retailers placed great importance on their storefronts. This is obvious when looking at the design and quality of these old commercial buildings. The solid brick or concrete structures usually left an open, airy space in the front allowing for large plate glass windows at street level. Retail architects would sometimes angle these large windows to provide better visibility to oncoming traffic. Recessed storefront doors allowed for even more public display area. These configurations maximized visual merchandising opportunities, but also required a larger initial investment in the building, therefore illustrating their value to retailers.

Kennedy Smith, former Director of the National Main Street Center, wrote, "Large storefront display windows visually open up the front façade of a building inviting pedestrians to look inside the store and see what's available. Psychologically, storefront windows help blur the distinction between the public space of the sidewalk and the private space inside the store, so people feel comfortable looking in. And, window display spaces are usually elevated a couple feet above the ground making it easier for people walking by to see the merchandise in the window."

Ken Heath of Marion Downtown Revitalization Association gets into the spirit of the event

For independent downtown merchants, who do not have the benefit of national brand recognition or large advertising budgets, their storefront can be their single most important advertising asset. Think of it as a billboard advertising the business. The more attractive and better designed the storefront, the more positively it reflects on the business.

In a 1995 study entitled "An Analysis of the Economic Impact of Physical Improvements on Retail Sales", the author, Brenda Spencer, looked at six downtown businesses that had implemented physical improvements and could provide actual cost and sales data before and after the improvements. The findings showed how façade improvements, most in the $10,000 to $20,000 range, dramatically affected

(continues on page 2)

sales. All businesses experienced an increase in gross sales the year after improvements – an average of 272 percent. Further, the majority of businesses sustained a substantial increase in sales and all of the businesses experienced favorable customer response and considered the improvements worth the investment.

Window Dressing in Fraklin

Savvy downtown retailers continue to emphasize the positive image an attractive storefront provides. Storefront window displays are often the best way to improve a store's appearance. Sadly, many downtown retailers are not taking advantage of their storefronts, creating a spillover effect from their drab windows that brings down the appearance of the entire district.

In answering the call for storefront marketing assistance from Main Street Managers throughout the state, Virginia Main Street (VMS) and the Downtown Franklin Association (DFA) co-hosted a training session on visual merchandising in November. Margie Johnson of ShopTalk, a retail-merchandising consulting firm, led the local Main Street directors and VMS staff on a daylong session that included a classroom component in the morning and a hands-on activity in the afternoon.

After an entertaining and informative morning session on "Creating Visual Magic on Main" – where Margie gave everyone a crash course on visual merchandising – it was time for the students to turn knowledge into action. Three downtown retailers and the Downtown Franklin Association itself let the group decorate their store windows with a holiday theme.

Splitting up into teams, the Main Street Managers and VMS staff worked feverishly to see who could put together the best Christmas-themed display in the short time available. Using only clear filament, Christmas lights, sheets, miscellaneous found

Margie's key points for maximing storefront windows:

- Make sure your window display is consistent with the other advertising and promotional messages you have. Do not make the classic "mixed messages" mistake, i.e., your newspaper advertising positions your store as a place to go for weekly specials, but the store window displays only high-end, expensive merchandise. This creates disharmony in the mind of your potential customer – a subliminal turn-off.
- Plan with the expectation that in most cases your customers will see your window from a moving car. Be sparing with the use of merchandise; too much will create visual clutter. Use graphics or large-scale text to get the point across quickly. The goal is to send a single, clear, easily understood message in one or two seconds.
- Once the window display is ready, make sure you adequately light it, especially during evening hours. You may need to use high-wattage incandescent bulbs to give the display drama, warmth and depth. Just be careful not to create a fire hazard.
- Make sure to keep the interior of the windows clean. When you update a display, start fresh. Remove any bits of masking tape, clear filament, or other remnants from the previous display. Most importantly, keep the glass clean at all times.
- Change your windows once every month, and twice a month if you are in a high-volume operation. Store windows have the unique ability to show people who have not been in the store recently, "Wow! This store has something new!" It is a lot easier to change a window than it is to change your entire advertising campaign.
- If you do not feel you have the artistic flair nor the time to do a quality window display – get somebody else to do it! Possible sources of assistance could be the local community college's art or retail merchandising department, ask if they have a student interested in working on your window, perhaps for college credit. Alternatively, hire a professional.

Since 1984, Margie Johnson's company, Shop Talk, has been helping organizations be leaders in their industries, not just competitors.

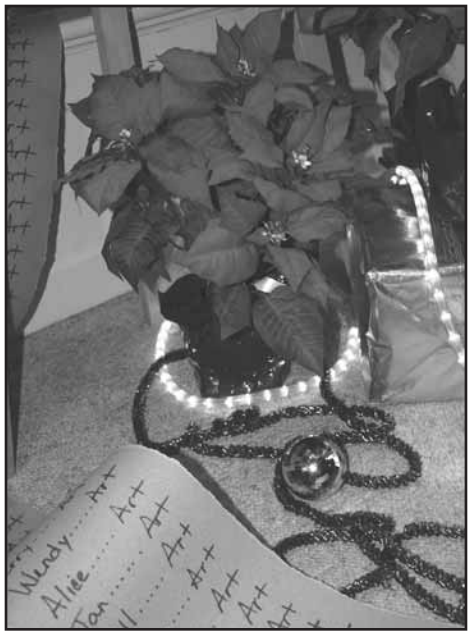
items, and other basic materials, the groups combined the retailer's merchandise with their newly gained knowledge on window displays to create some "Visual Magic" of their own.

One group, working with a children's clothing retailer, used a higher volume, high-margin item, christening gowns, as the centerpiece for their display. Using white sheets and Christmas lights, they created a heavenly-like backdrop that helped bring attention to the gowns hung prominently from the ceiling by filament, and made complete with angel wings and spot lighting. An attractive sign saying "Heaven Sent Gifts for Your Little Angel" tied the whole display together.

Another group, working at a florist shop with normally busy windows, simply covered the interior of the windows with an attractive gold material. They then used seasonal greenery, ribbons and white lights, to further highlight the window frames. Most importantly, at the center of each of the four window panels was one of the retailer's four most popular flower arrangements for that time of year. A separate group working on the florist's other large window created a Christmas fireside scene integrating their products in a cozy, home setting.

A hardware and paint store that participated had its products cleverly used for creating Christmas trees. On one side of the storefront, the group stacked paint cans in a steep pyramid shape creating a stylized Christmas tree, while on the other side, they fashioned ornaments from tools and paint brushes to adorn an actual tree. As a final, whimsical addition, they leaned a sign against a display of painting products that read, "It's cold outside, you need two coats!"

The windows of the Downtown Franklin Association also had a Christmas tree, but the group adorned this one with brass ornaments featuring different historic structures in Franklin. The organization sells these ornaments as a fundraiser. At the foot of the tree was a collection of beautifully wrapped gifts with large tags indicating which downtown business they had come from. This highlighted those downtown retailers that offer a gift-wrapping service.



White Swan Gallery's window in ***Staunton*** *shows Santa's gift list*

The participating retailers in the display exercise seemed quite pleased with the outcome. In her overview of the displays, Margie said that the groups had done several things right; specifically they:

- Were sparing in their use of product and materials – less is more;
- Were easily visible from the street;
- Got the message across quickly on what the store was about;
- Picked a theme and were consistent with its use;
- Highlighted items that were high-margin and sold regularly;
- Displayed the retailers' products in a creative, eye-catching fashion; and
- Used humor in a way that raised awareness of the product.

Eddie Bumbaugh, Manager of **Harrisonburg** Downtown Renaissance, commented that he got a lot out of the exercise. "I had never participated personally in decorating storefront windows," he said, "although our organization encourages downtown merchants to regularly change their window displays."

Being on the other side of things showed him that creating new window displays could consume a lot of time and materials. He also said, "Effectively incorporating the merchandise into the display can be challenging, but once it's done there is a real sense of pride with the finished product."

Bumbaugh was able to draw on this experience soon after the training, as he and one of his committees acted as judges for Harrisonburg Downtown Renaissance's sponsored Holiday Storefront Decoration contest. "My experience in Franklin really made me appreciate the hard work and creativity of our downtown merchants who participated in our contest."

Stephen Versen, a Community Development Administrator in the Virginia Main Street Program, has a background in planning and local economic development. Special thanks to Margie Johnson for allowing her materials to be used as part of this article.

Virginia Main Street Monitor
is published by the
Virginia Main Street Program
Office of Community Revitalization
& Development
Virginia Department of Housing
& Community Development

Amy Yarcich, Program Manager

Courtney Anderson,
Community Development
Administrator

Stephen Verson
Community Development
Administrator

501 N. Second St.
Richmond VA 23219
Phone 804-371-7030
Fax 804-371-7093

E-mail: mainstreet@dhcd.virginia.gov
Web site:
www.dhcd.virginia.gov/Mainstreet

Store Image Self-Audit

By Margie Johnson

There's no doubt about it, your store's image is important. However, the way you perceive your store's appearance may not be the way others do. Taking a hard and objective look at your business is difficult, but it is a necessity if you want to be successful!

The purpose of this self-audit is to get storeowners to step outside their everyday perception of their business and to look at their store with fresh, critical eyes and to start asking some tough questions about their store's appearance. So, pull out a pen and paper, take this article with you, and begin:

1 ***Step One:***
Look at your store front. Does it make the proper "opening statement" for you store? Are your window visuals exciting and reflecting current trends? Apply the old adage "you never get a second chance to make a good first impression" to the entire store. Remember, your selling floor starts outside your front door.

2 ***Step Two:***
Now step inside your store – look slowly around you. What messages do your displays and décor send? Does it state the look you want to convey? Are you clearly a fashion-forward store, sleek and sophisticated, warm and secure, etc.? Are the merchandise and the decor sending the same signals?

3 ***Step Three:***
Look at the individual composite of the store's concept. Do your fixtures look dated? Is the wallpaper torn or faded? Are the light bulbs burned out? Is the light dim and misdirected? Does your carpeting need to be swept, cleaned, or replaced? Does your store-flow feel comfortable and set a pattern for smart shopping? Is your signage informative? Look at each and every aspect with a critical eye.

4 ***Step Four:***
Your store's housekeeping habits can have a dramatic effect on its total visual presentation. Clutter on and behind the counter, racks that are dusty and smeared with fingerprints, smudged mirrors, brimming trash baskets, spotted carpets, plants that are "dying on the vine," ... the list is endless. All of these things destroy the staging of even the most wonderful merchandise.

5 ***Step Five:***
Remember, the impression lasts longer than the sale. Look objectively at the merchandise itself. Has your merchandise mix changed or evolved since you opened the store? Are the store's "look" and the actual merchandise you are selling consistent? For example, does your store have an activewear look if you're selling career clothes?

6 ***Step Six:***
Your overall image review must include a look at all items. Packaging: does it enhance your image? Is your signage doing a good silent selling job for you? Are they current? Do your sales associates reflect the image you seek to create in both the style of dress and in the manner of service?

Wrap-Up:

The questions are endless, but be honest with yourself. Is there a sparkle, a sense of excitement, an innovative ambience that peaks your customers' interest time after time? A good store design is indeed a strong silent salesperson. Now is the time to rethink your store's design and image. Remember your competitor is undoubtedly doing these reviews and renovations on a regular basis.

To get more from this exercise, have a trusted friend or colleague audit your store as well then compare notes and discuss. Now is the time to take action! It could have a big impact on your bottom-line.

This article was reprinted with the permission of Margie Johnson. You can find more of Margie's tips, as well as information on her consulting services at www.ShopTalk.org.

E-Commerce: A Growing Opportunity for Main Street Retailers

By Stephen Versen

Recent surveys show 2005 online holiday purchases increased more than 30 percent from the same period last year. While as a percentage of total retail sales, online purchases comprise a relatively small component (around 5 percent), they continue to grow much faster than retail sales in general. This growing market creates opportunities for both major online retailers, like Amazon.com and Barnes & Noble, as well as smaller retailers, including some in Virginia's Main Street communities.

The use of the internet for marketing purposes by Virginia Main Street communities varies widely: many businesses do not use it all, some just have a basic web presence or storefront (e.g. a page or two on-line with the business name, contact information, and some description of the store), while others have fully integrated retail web sites. Two strong Virginia Main Street retailer web sites are The Beeswax Candle Company (beeswaxcandleco.com) in **Lynchburg** and Blue Moon Galleries (bluemoongalleries.com) in **Waynesboro**. These businesses both have an important bricks and mortar presence in the downtown, but also have large and attractive web sites that allow customers to browse and view merchandise, track items in their shopping cart, and conveniently handle payment and shipping. The sites also give information about the companies and their showrooms, things that give online customers greater trust and satisfaction in their purchases.

Small retailers with big web sites are a growing trend in the US, as savvy entrepreneurs step onto the relatively level playing field of the World Wide Web. A recent survey on holiday shopping shows the importance small retailers put into their web sites. According to the Business Barometer survey, commissioned by the Web-hosting consultancy Interland in the weeks leading up to the 2004 holiday season, 77 percent of small-business owners believed their web site made their operation healthier, and more than 45 percent believed online holiday sales would improve more than they had in the previous year. Perhaps most surprisingly, almost 60 percent of respondents said they placed a greater priority on updating their web site than improving their store's appearance, which was a top priority for only 15 percent.

Megen McMichael of VECTEC supervises the web team's development of online stores

These businesses have a well-founded focus on growing their internet business as current industry surveys predict that shoppers will have made more than 50 percent of their holiday purchases on-line 2005. This growth represents significant increase over the previous holiday season. These increasing online sales, however, chip away at traditional storefront sales by siphoning away scarce consumer dollars. Consumers increasingly value the convenience, wider selection, and the ability to easily compare prices that internet shopping offers. This reality makes it more important than ever for small retailers to develop a presence online. In the upcoming year, Virginia Main Street will collaborate with Virginia Electronic Commerce Technology Center (VECTEC) at Christopher Newport University (www.vectec.org) to provide aid to newly designated Virginia Main Street communities. VECTEC's mission is "To advance the continued competitiveness of Virginia's business community through the understanding and use of electronic commerce throughout the Commonwealth of Virginia." In a recent newsletter, Megen McMichael of VECTEC addressed the most critical part of an online retailer's web site, the shopping cart. The shopping cart system, which allows you to browse, choose, and purchase products on a web site, has become the essential element of retail web sites.

Critical basic features of the shopping cart include:

- Being able to divide your products into related categories, such as holiday products;
- Having images if possible – they are going to help sell your product in the long run;
- Good descriptions of your product – these are critical since your customers can not see, feel, or hold your product in person;
- An "Add to Cart" button that allows a customer to easily select a product and continue shopping; and
- A basic checkout feature –a simple form that can collect billing, shipping, and credit card information in a secure way is sufficient.

The internet is reshaping the retail landscape. Its impact could be as revolutionary as that created by the rise of strip malls, big boxes and category killers. Fortunately for Main Street retailers, these changes in the way customers shop provide far more opportunities for them than did the previous ones. It is important that retailers change as rapidly as the environment does; developing a presence online is a great first step.

Proceedings from Regional Summit of Main Street Communities Available

Forty leaders from the six Northern Virginia and Piedmont Main Street communities of **Berryville**, **Culpeper**, **Manassas**, **Orange**, **Warrenton**, and **Winchester**, met on March 30, 2005 to discuss ways to accommodate growth in the Washington, D.C. metropolitan area while retaining the unique character of their respective communities.

People, Places & Happenings

resources & news you can use

Virginia Main Street Executive Summary

The full report on the proceedings, funded in part by a grant from the National Trust for Historic Preservation through the Henry A. Jordan, M.D. Preservation Excellence Fund, provides general information and potential solutions that local leaders shared about best practices and solutions. There are three primary issues of concern: property development; changing retail business climate; and transportation. The full report lists tools that these public leaders suggest could shape what they want their community to be in the face of regional change. To view the Executive Summary or the full 43-page report, go to: www.dhcd.virginia.gov/mainstreet/

A few months after the summit, executive directors from the Main Street organizations in the six communities met to discuss their next steps to build on the information shared during the summit. These next steps include: the development and distribution of a summary of the summit proceedings; cooperating with one another during the others comprehensive planning processes; hosting a mini-Reality Check similar to those being conducting by the Urban Land Institute throughout the Washington, D.C. metropolitan region; and development of a regional marketing plan. This plan would both emphasize their identity as a group and as part of a larger coalition of small rural and exurban communities along a corridor of important historic sites from Gettysburg to Monticello known as the Journey Through Hallowed Ground corridor.

Use of Federal Historic Tax Credits Booming in Virginia

In 2004, Virginia placed third among all states in the projected use of federal historic rehabilitation tax credits with $219.2 million in estimated expenditures in a total of 141 projects. This is despite Virginia being only the twelfth most populous state. Richmond alone accounted for over half of Virginia's projects with total estimated expenditures at just over $177 million being used in 72 projects. In fact, Richmond generated more projects than New York, Chicago, San Francisco, and New Orleans combined, and is ranked 8th among all U.S. cities in terms of estimated expenditures. The Virginia Department of Historic Resources welcomes requests for tax credit program presentations from communities interested in learning more about them. Main Street communities are especially encouraged to learn more about the program.

Governor Warner Announces Big Increases for Virginia Tourism in 2004

This past October, Governor Mark R. Warner announced that travelers' spending in the Commonwealth increased by 8.3 percent in 2004. In that year, Virginia was the destination of nearly 36 million tourist visits, representing a $15.3 billion investment in the economy and signaling a positive economic outlook for Virginia's tourism industry.

Changes in Tourism-Related Spending 2003 to 2004

Lodging	7.5%
Food Service	6.5%
Entertainment & Recreations	6.4%

Top Five Markets in Terms of Virginia Tourism Inquires

New York City	7.5%
Washington, D.C	6.5%
Philadelphia	5.48%
Atlanta	3.11%
Baltimore	2.65%

Source: Virginia Tourism Corporation

According to two different studies, 304,834 overseas travelers' and 436,800 Canadian travelers' spending totaled more than $352.4 million, growing by 26 percent and 17.5 percent, respectively, during 2004. A third study showed spending by US travelers to Virginia over the same period increased 8.3 percent.

"We've put a strong focus on developing and marketing tourism in Virginia and it's paying off on a statewide and local level," said Governor Warner. "Tourists are embracing Virginia's diverse vacation experiences and making a significant contribution to our economy. We will continue to work to maximize the benefits of Virginia's tourism assets, especially those in Southwest and Southside Virginia."

The tourism industry has a $15 billion impact on Virginia's economy, employing more than 280,000 people and providing more than $2 billion in state and local taxes annually.

Non-Profit Giving in 2005 Still Strong

An annual giving survey recently released by GuideStar, the non-profit information clearinghouse, shows generally strong contributions for non-profits through the first three quarters of 2005. This is despite record giving to natural disaster relief funds this year that many feared would negatively affect non-profit organizations. Almost 50 percent of respondents reported increased giving, compared to just 22 percent who saw decreases. Generally speaking, larger non-profits (those with annual budgets of $500,000 or more) were more likely to report increases in giving than smaller organizations. The complete survey can be found at: www.guidestar.org/news/features/2005_econsurvey.pdf.

Brookings Institute Paper on Economics and Historic Preservation Available Online

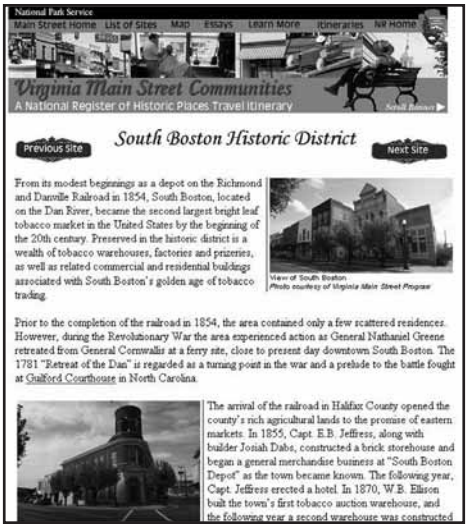
The Brookings Institution paper "Economics and Historic Preservation: A Guide and Review of the Literature" by Randall Mason (University of Pennsylvania) is now available online. In this paper Mason examines the difficulties of evaluating the economics of historic preservation, analyzes various approaches and discusses the literature in the field. Mason references the Main Street Trends Survey as well as national and state-level reinvestment statistics.

Mason thoroughly reviews the subject in this 67-page document. He devotes 45-pages to an annotated bibliography, making it not only a convincing paper, but an excellent resource for anyone with interest in the topic. He concludes "... these studies do present convincing evidence that 'preservation pays' (or can pay) when viewed simply in economic terms—both from the perspective of individual investors, and from a public, fiscal policy perspective.

To review the complete paper go to Brookings Institute's Web Site at: http://www.brookings.edu/metro/pubs/20050926_preservation.htm.

Three Communities Added to Virginia Main Street Online Travel Itinerary

The Discover Our Shared Heritage Travel Itinerary Series, an offering of



The online travel itinerary has a page highlighting each Virginia Main Street community

the National Park Service's National Registry of Historic Places, spotlights different geographic regions and themes across the country. In May of last year they unveiled an online itinerary for Virginia Main Street Communities. The City of **Harrisonburg**, and towns of **Luray** and **South Boston**, as newly designated Main Street Communities, were recently added to the travel itinerary. Take a moment and check out the site: http://www.cr.nps.gov/nr/travel/VAmainstreet.

Two New DHCD Commercial District Affiliates

The Town of **Hillsville** in southwestern Virginia (Pop. 2,680) and the Town of **Brookneal** in central Virginia (Pop. 1,259) have successfully applied for DHCD Commercial District Affiliate status. This designation makes these communities eligible to attend Main Street trainings, receive remote consultation, and other Virginia Main Street services.

To find out how your community can become an Affiliate, check out our web site at www.dhcd.virginia.gov/MainStreet.

People

On November 30, 2005, after 20 years of service, longtime Historic **Manassas** Inc. Executive Director **Tricia Davis** retired. Davis leaves a legacy of accomplishments that have greatly impacted the City and its residents. Most notable was her shepherding of the Loy E. Harris Pavilion and Walkway project completed in 2002 and her work in helping Manassas to receive the prestigious Great American Main Street Award in 2003. Her plans for retirement include spending more time with her family, traveling and serving as a consultant for Main Street communities.

Linda Robertson has replaced Davis as Historic **Manassas** Inc.'s new Executive Director. A Virginia native and Manassas-area resident since 1969, she has for the past three years served as General Manager of the Loy E. Harris Pavilion in Historic Manassas. Prior to that, she served for six years in the Public and Community Relations Department at Dominion Semiconductor in Manassas.

Berryville Main Street has promoted **Sue Ross**, former Assistant Director of the organization, to Executive Director. This move gives **Susie Bailey**, the former Executive Director, more time to spend with her family as she takes on the role of Assistant Director.

W. Scott Smith stepped down from his position as Executive Director of **Bedford** Main Street, Inc. Throughout his tenure, Scott was an energetic and active Main Street coordinator who contributed much to the local and the state program. He begins a position with the Region 2000 Local Government Council in Lynchburg.

In November, **Stephen Versen** joined the Virginia Main Street Program's office in Richmond. He has an undergraduate degree in Economics and History from James Madison University, and a Masters of Urban and Regional Planning from Virginia Commonwealth University. He previously worked for the City of Staunton's Department of Economic Development.

VIRGINIA MAIN STREET

VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

501 North Second Street
Richmond, Virginia 23219

DOWNTOWN DEVELOPMENT CALENDAR

January '06

25-27	North Carolina Main Street Annual Conference, Salisbury, NC (www.ncdca.org/mainst, 919-733-2850 or mainstreet@ncdca.org)
31	Virginia Preservation Day, Richmond, VA (804-648-1889 or tgraham@apva.org)

February '06

27	National Conference on Cultural Property Protection, Arlington, VA (202-633-9446 or http://natconf.si.edu/index.htm)

March '06

4	Mystery Shopping Providers Association Gold Certification Training, Arlington, VA (preliminary Silver certification may be obtained online at www.mysteryshop.org/shoppers/gold.php)
9	Green Strategies for Historic Buildings, Beaufort, SC (Preservation Institute 703-765-0100 or info@npi.org)
9-10	International Council of Shopping Centers Mid-Atlantic Idea Exchange, Washington, DC (www.icsc.org, 646-728-3800)
9-10	Virginia Festivals and Events Association Annual Conference, Hampton, VA (www.vfea.org)
24	**Virginia Main Street 20th Anniversary Celebration, Staunton, VA** (mainstreet@dhcd.virginia.gov, 804-371-7030)
29-31	Virginia Chapter of American Planning Association Annual Conference, Portsmouth, VA (VAPA, www.vaplanning.org, 804-754-4120 or vaplanning@comcast.net)

April '06

22-24	International Downtown Association Spring Conference, Columbia, SC (202-393-6801 or question@ida-downtown.org)