

COVID-19

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BUY LOCAL WITH CONFIDENCE A PANDEMIC TOOLKIT FOR BIAs DOWNTOWN MAIN STREETS

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Buy Local

The act of consumers purchasing items that support the local economy.

Locally Owned

Owned, made or employing in the consumer's community.

Consumer Confidence

A measure of consumers' feelings about economic conditions and safety.

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Executive Summary

The COVID-19 pandemic has been an unprecedented event, acting as a catalyst for people around the globe to change the way they live and work. Businesses in downtown main streets have been highly impacted and have experienced significant drops in sales due to changes in consumer behaviour, shaken consumer confidence for in-person shopping and COVID-19 measures.

During this challenging time, the Buy Local movement has gained more prominence and has become a call to action for Canadians to support local downtown main street businesses. Business Improvement Areas/Districts (“BIAs/BIDs”) are uniquely positioned to play a key role in their local communities in delivering Buy Local marketing campaigns. The research showed that these types of campaigns provide key opportunities to leverage consumer trends, communicate efficiently with the public, engage with consumers in diverse ways and increase consumer confidence.

Research was conducted on economic and business data, the government’s response and consumer behaviour. Several key consumer behaviours were identified such as the interest of Generation Z consumers in experiential or service-based shopping; a larger market of work-from-home consumers; and an increase in consumer interest in purchasing sustainable and locally-sourced products. These new or accelerated trends provide significant opportunities adapting Buy Local marketing strategies.

Case study research revealed that worldwide, local economic development organizations such as BIAs/BIDs are undertaking innovative projects to improve local spending. Six key success factors were identified as essential components of a strong and comprehensive Buy Local campaign that increases consumer confidence: 1) implementing and effectively communicating health and safety measures; 2) employing digital marketing measures to better reach consumers; 3) target audience planning to capitalize on niche markets and experiences; 4) a sense of physical as well as emotional placemaking; 5) strong public-private partnerships to build capacity; and 6) finding the right Buy Local messaging for each BIA/BID area.

The enclosed Buy Local With Confidence Toolkit for BIAs/BIDs offers tools and templates aimed at supporting these organizations with building their own successful campaigns. Additional recommendations at the end of this report highlight some key ways for government partners to continue to support BIAs/BIDs and businesses so that Buy Local marketing campaigns have a greater chance of success.

Backgrounder

The Canadian Urban Institute

According to their [website](#), the Canadian Urban Institute (CUI) is the national platform that houses the best in Canadian city building – where policymakers, urban professionals, civic and business leaders, community activists and academics can learn, share and collaborate with one another from coast to coast. Through research, engagement and storytelling, their mission is to ensure Canada builds vibrant, equitable, livable and resilient cities.

COVID-19

The COVID-19 crisis has brought to the forefront the benefits of shopping at main street businesses that are connected to the local economies which the consumer resides in. It has also accelerated many new and emerging marketing initiatives domestically and globally to help small businesses in commercial districts to promote their products and services. Inspiring consumer confidence has become a key component of delivering a successful Buy Local movement in an uncertain climate.

Business Improvement Areas

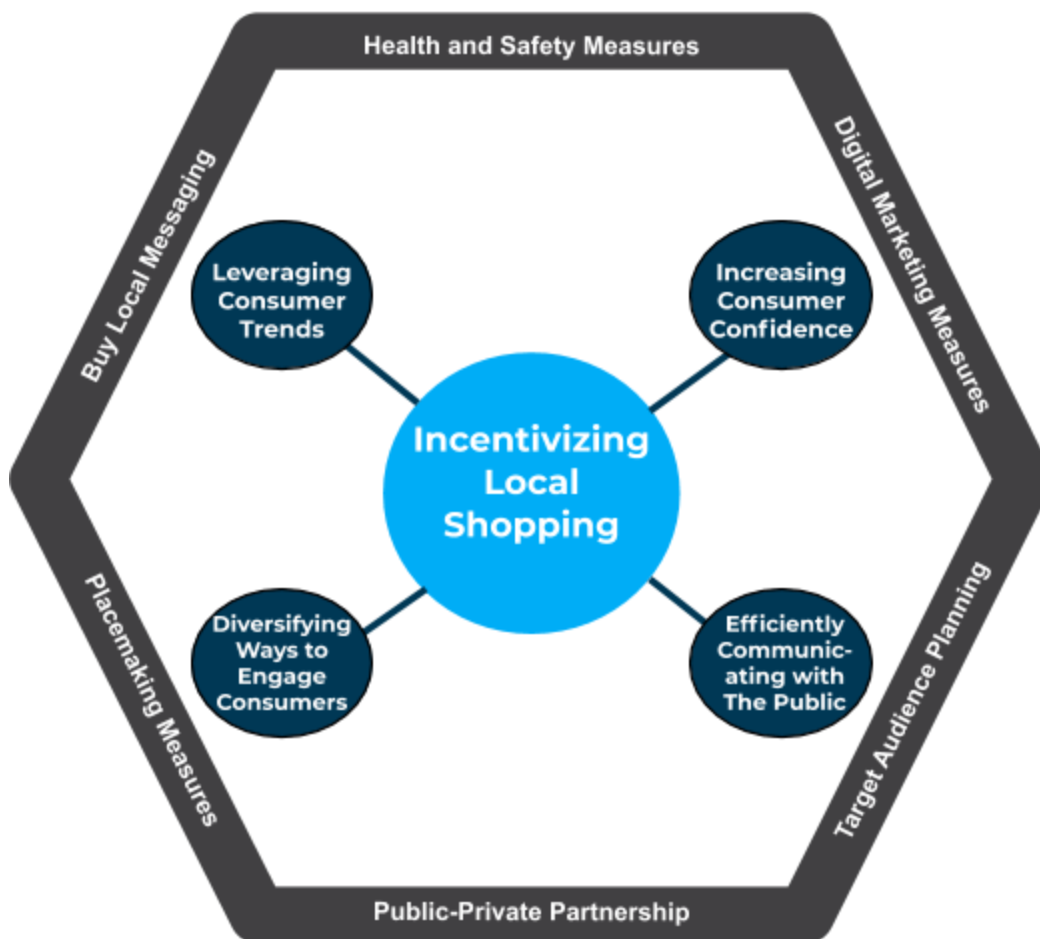
Business Improvement Areas (BIAs), also known internationally as Business Improvement Districts (BIDs), undertake a wide range of local economic development activities to increase consumer spending within their boundaries. Government policy forms the operational framework for BIAs/BIDs. Some of the activities they commonly undertake include placemaking, streetscaping and beautification; business retention and attraction initiatives; safety, cleanliness and lighting projects; partnership building; community art projects; marketing and events; and downtown revitalization initiatives. BIAs/BIDs are also continually investigating new ways to support the economic sustainability of their downtown main street districts during COVID-19 and beyond.

Objective

To develop a toolkit for Canadian BIAs/BIDs to incentivize local shopping in their communities.

To achieve this overarching objective, four separate goals were identified by examining the business and consumer landscape in Canada during COVID-19 as shown in Chart 1. Six success factors were also identified by analyzing case studies from BIAs/BIDs around the world, in order to help guide the design of the programs in the toolkit and achieve the goals shown below.

Chart 1: Process Map for Incentivizing Local Shopping





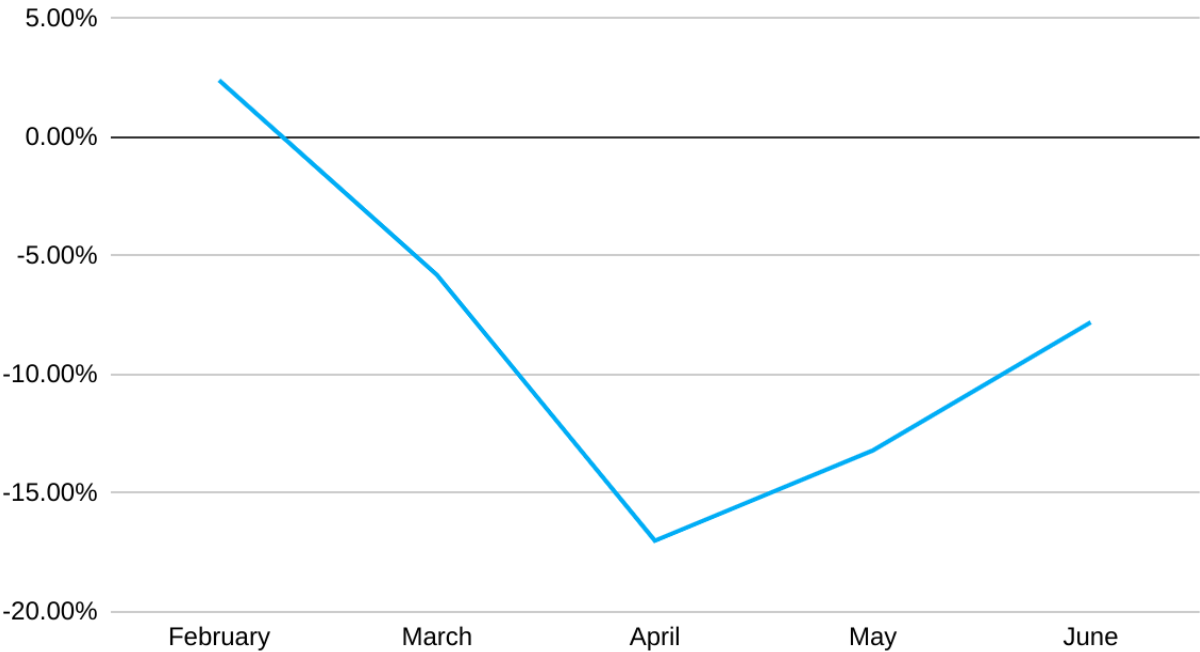
RESEARCH

Research

The Economy

As with most of the world, the COVID-19 global pandemic has had a profound impact on the Canadian economy. Overall, the Canadian GDP experienced a sharp decline in the first months of the coronavirus pandemic. It experienced the biggest GDP contraction ever recorded in Canadian history between March to April, 2020 of 11.2% (Statistics Canada, 2020a). However, the situation began to change in May when all levels of government started developing action plans and non-essential businesses began to reopen, leading to a reversal of the contractive economic trend as shown in the chart below. Unemployment reached a record high of 13.7% in May and has been slower to recover, nevertheless decreasing by 1.4% in June (Statistics Canada, 2020c).

Chart 2: GDP During COVID-19 2020 (12 Month Difference)



(Source: Statistics Canada, 2020)

The Impact to Businesses

The majority of Canadian businesses have reported indelible losses. 51.6% reported losses greater than a third of their expected revenue in the month of April (Statistics Canada, 2020b). Also, it is estimated that about 10% of all businesses will not be able to recover and will be forced to permanently close towards the end of the pandemic (Bensadoun, 2020).

The pandemic has affected all industries differently with the largest losses reported in retail and the travel and tourism industries. Retail sales dropped 26.4% (Evans, 2020) in April, and hotels reported 70-90% losses (Harris, 2020). Within the tourism industry, over half of all businesses are projected to fail under current conditions (Harris, 2020). Domestic tourism has increased 30% since last year, and presents a temporary opportunity for tourism businesses to target the local population (Subramaniam, 2020). Within the retail industry some sub-sectors were impacted much more than others, with the top three recording the biggest losses including: clothing, furniture and auto (Evans, 2020). Conversely, some sectors actually experienced profit increases, including e-commerce, along with some retail sub-sectors: home renovation, gardening, alcohol, and grocery stores (Evans, 2020).

Moreover, businesses have been changing their approach to minimize losses. Online retail sales have been higher than ever; recording a 99% increase from February to May (Evans, 2020). Businesses have also shown decent levels of adaptability, reports show that 44% of businesses changed their approach to reach consumers (Visa, 2020).

The Challenges

Many businesses reported concerns over decreasing revenues as well as the risk that consumers may never return to their stores. This drop in consumption is caused by many factors that will be discussed throughout this and the following section.

Labour Force

As of June, a large number of businesses reported having difficulties finding employees while financial aid programs were in place from the federal government. Some of these financial aid programs are open to many and act as a disincentive to work for part-time low income employees, and students who feel financially satisfied (Caton, 2020).

Personal Protective Equipment (PPE) and Compliance Measures

80.5% of businesses have expressed a need for personal protective equipment (PPE) (Statistics Canada, 2020b). Many businesses are struggling to find the funds necessary to invest in PPE and other compliance measures, and also are facing obstacles such as shortages of PPE from suppliers. Moreover, some businesses have had to reject customers now that protective measures are in place which require everyone to be within six feet and a limited amount of customers indoors simultaneously. For example, a local physiotherapy clinic in Windsor that would see six patients per hour before COVID-19, now sees only seven to eight clients per day due to all the new COVID-19 protocols (Caton, 2020).

Competition: E-Commerce and Amazon

Many businesses consider large e-commerce platforms such as Amazon a threat to their businesses' wellbeing. Although businesses are free to sell their products on Amazon, the e-commerce giant takes 30% of the price of each sale, plus a \$40 monthly fee from businesses with products on the platform. Many businesses have been forced to go online because of low consumer confidence and lower sales due to COVID-19 preventive measures and these costs are cutting heavily into business profits. Amazon also provides cheaper shipping, so many businesses that have their own websites cannot compete with the shipping costs and service provided by Amazon (Semuels, 2020).

The Governments' Response

To date, all three levels of government have launched a variety of programs, including the Canada Emergency Response Benefit, Canada Emergency Wage Subsidy and Canada Emergency Business Account, to assist with businesses' financial losses (Government of Canada, 2020). Provinces worked with the federal government in launching the Canada Emergency Commercial Rent Assistance Program that covers 50% of rent, acting as a rent subsidy to struggling businesses and property owners. There is still a lot of red tape in these programs, but the government has been adjusting the eligibility requirements to cover more businesses in need (CFIB, 2020). In addition, municipalities provide tax or other bill deferrals, as well as eliminating barriers for the creation of patios, marketing displays, and increasing consumer confidence by updating and improving public transit environments (Canadian Urban Institute, 2020). While some business concerns have been addressed by governmental economic relief and safety policies, there is more work to be done to ensure business continuity.

The Consumer

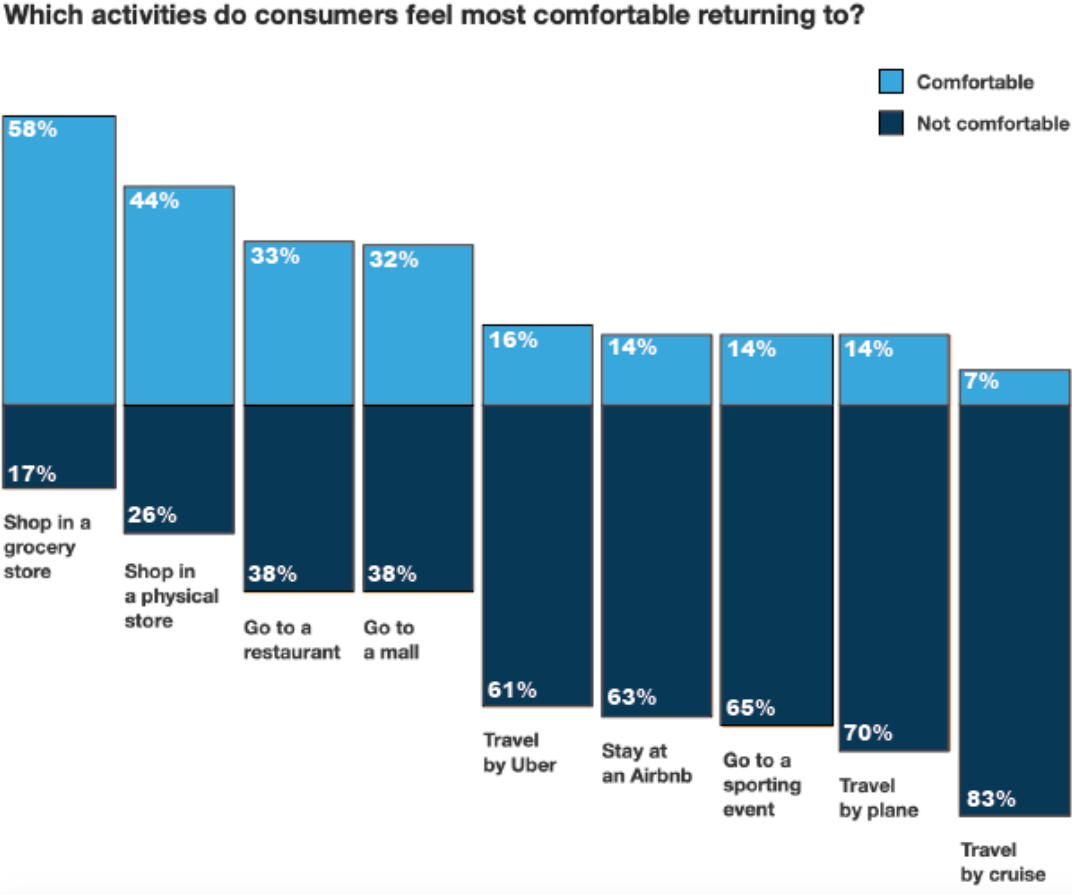
The COVID-19 pandemic has brought forth significant impacts to the retail sector and on the overall economy of Canada. One component of these impacts is due to changes that have caused several shifts in consumer behaviour such as the greater

use of e-commerce and changing patterns of in-store shopping experiences. These trends also connect further with three other key trends:

1. The influence of urban Generation Z consumers.
2. Increase in work-from-home consumers.
3. Consumer consciousness and buying local.

In the future, some consumers will return to behaviours seen before the pandemic, but ultimately changes in consumer behaviour will continue to evolve. These shifts will force retailers to create new solutions to adapt to evolving consumer trends and behaviours. This part of the research is guided by the PwC Canadian Consumer Insight 2020 report and is based on a survey analysis.

Chart 3: Consumer Behaviour Survey



(Source: PwC Canadian Consumer Insights, 2020)

The survey included 1,000 Canadian consumers located in Toronto, Montreal and Vancouver and their response to how COVID-19 has affected certain activities in their lives. Chart 3 shows greater consumer comfort levels with returning to physical retail, such as main street businesses and grocery stores, and resuming previous physical behaviors. However, the survey showed that consumers are still

reluctant to participate, even when permitted, in activities that are related to tourism and large gatherings. This also includes visiting bars and movie theatres, and participating in any other kinds of travel (Gooding & Moro, 2020).

Generation Z Consumer Trends

It is important to monitor the behaviours of younger consumers like Generation Z (ages 18-22), as their consumer habits and trends will shape the consumer patterns in the future. The Generation Z consumer trend has been on the rise pre-COVID-19 and has become a prominent trend for 2020. With the majority of this group now being adults, they have increasing purchasing power (Gooding & Moro, 2020). The PwC Canadian Consumer survey found that the majority of the differences between Generation Z and Baby Boomers is with online shopping within the food and clothing categories as seen in Chart 4. The gaps between the two generations have narrowed during the pandemic, as older generations have started to use trends that Generation Z has already adopted such as online shopping.

Chart 4: Gaps in Generation Z and Baby Boomer Shopping Categories

Categories showing the biggest gaps in digital shopping behaviours between Gen Z and Baby Boomers

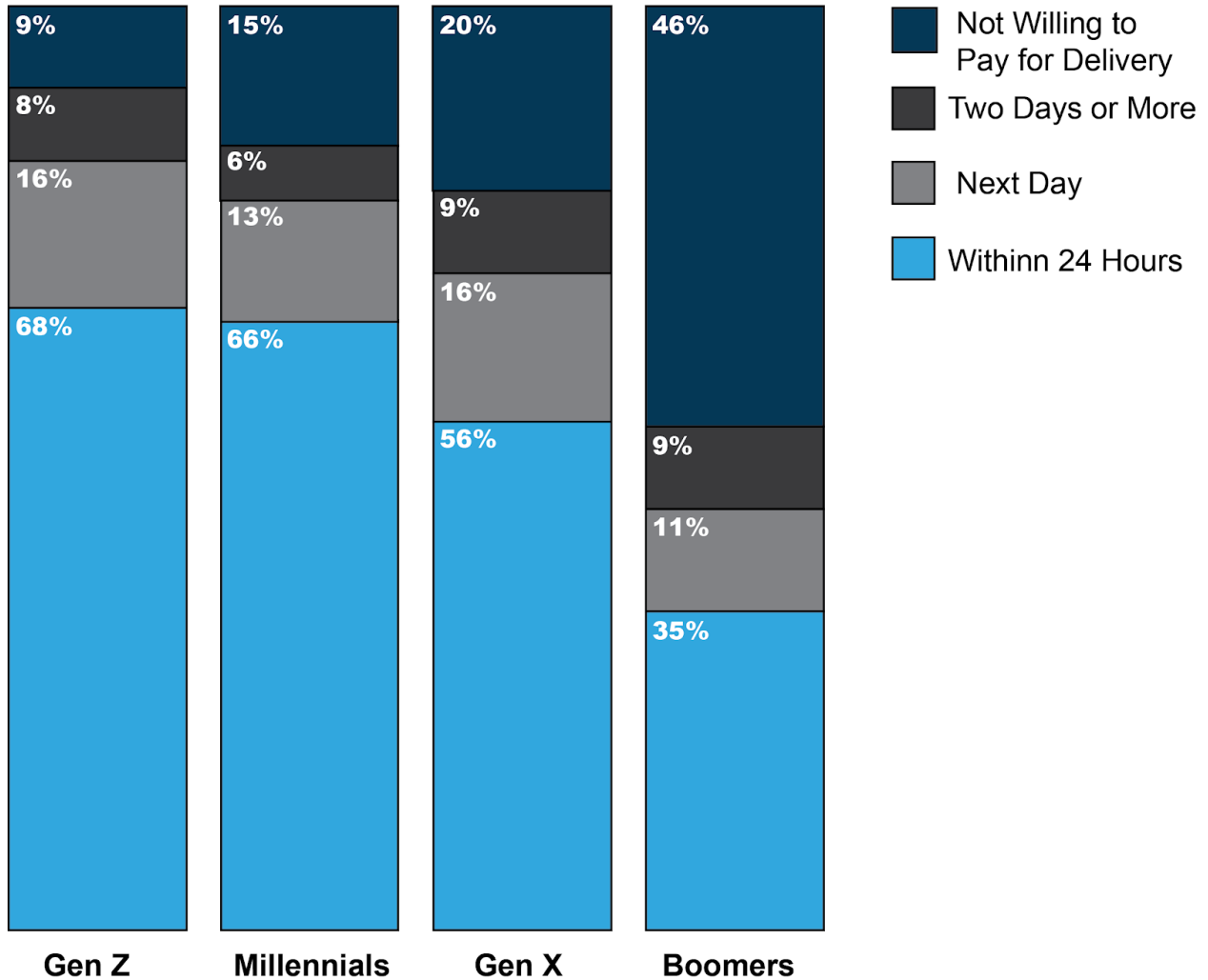
	Gen Z	Boomer
Clothing and Footwear	37.0%	16.0%
Grocery	34.8%	10.0%
Sports equipment/outdoor	23.9%	4.7%
Furniture	23.2%	5.3%
Books, music, movies and video games	43.5%	26.0%

(Source: PwC Canadian Consumer Insights 2020)

Generation Z consumers are more likely to use alternative food options such as delivery apps and meal-kits, as they are more convenient for them. Generation Z consumers also expect faster grocery delivery times compared to Baby Boomers as seen in chart 5 (Gooding & Moro, 2020).

Chart 5: Generational Trends in Delivery Time Expectations

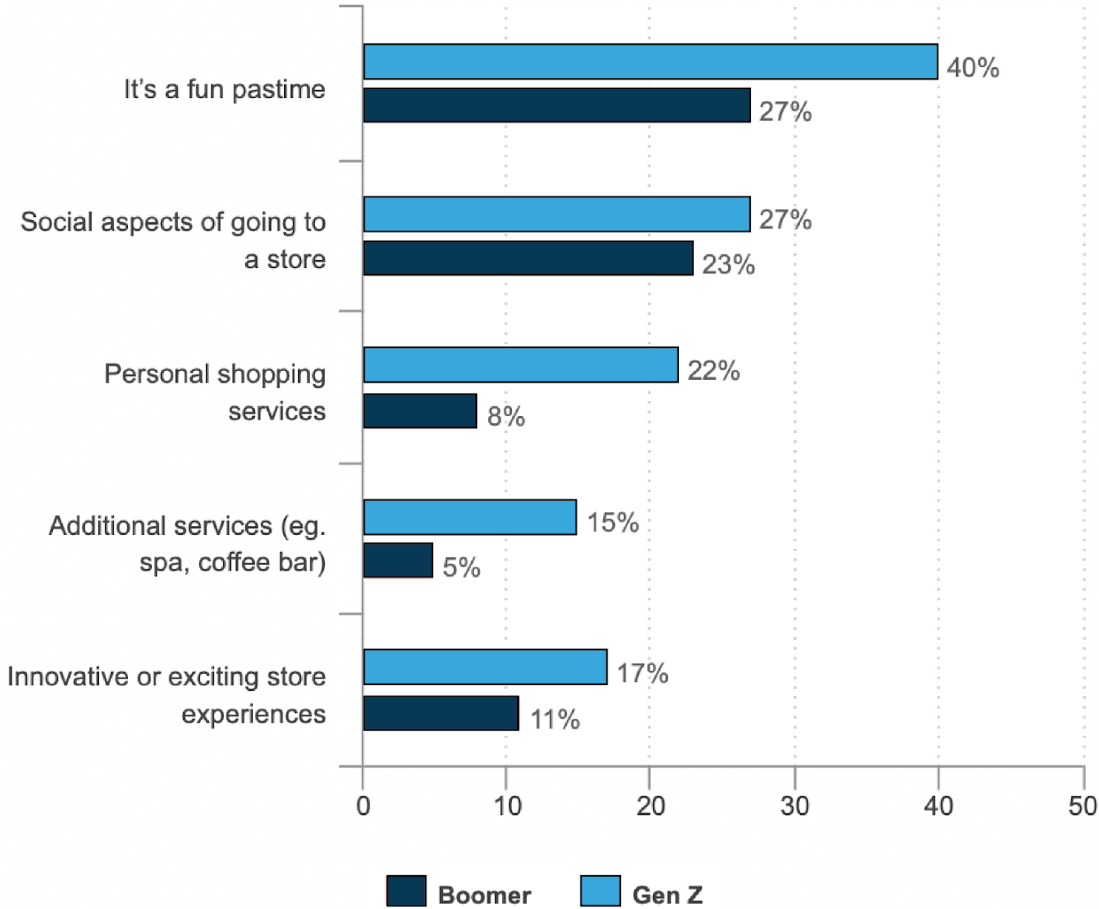
Online Grocery Lead Delivery Time Expectations



(Source: PwC Canadian Consumer Insights 2020)

Several differences between Generation Z and Baby Boomers were also observed in shopping habits for clothing such as Generation Z being less likely to shop at retailers such as department stores versus 33% for Baby Boomers (Gooding & Moro, 2020). Additionally, Generation Z looks for reasons to justify making in-person trips to stores. This can include wanting additional services such as going to a spa or coffee shop. The different reasons can be seen in Chart 6 below.

Chart 6: Generation Z's Shopping Preferences - Experiences and Services

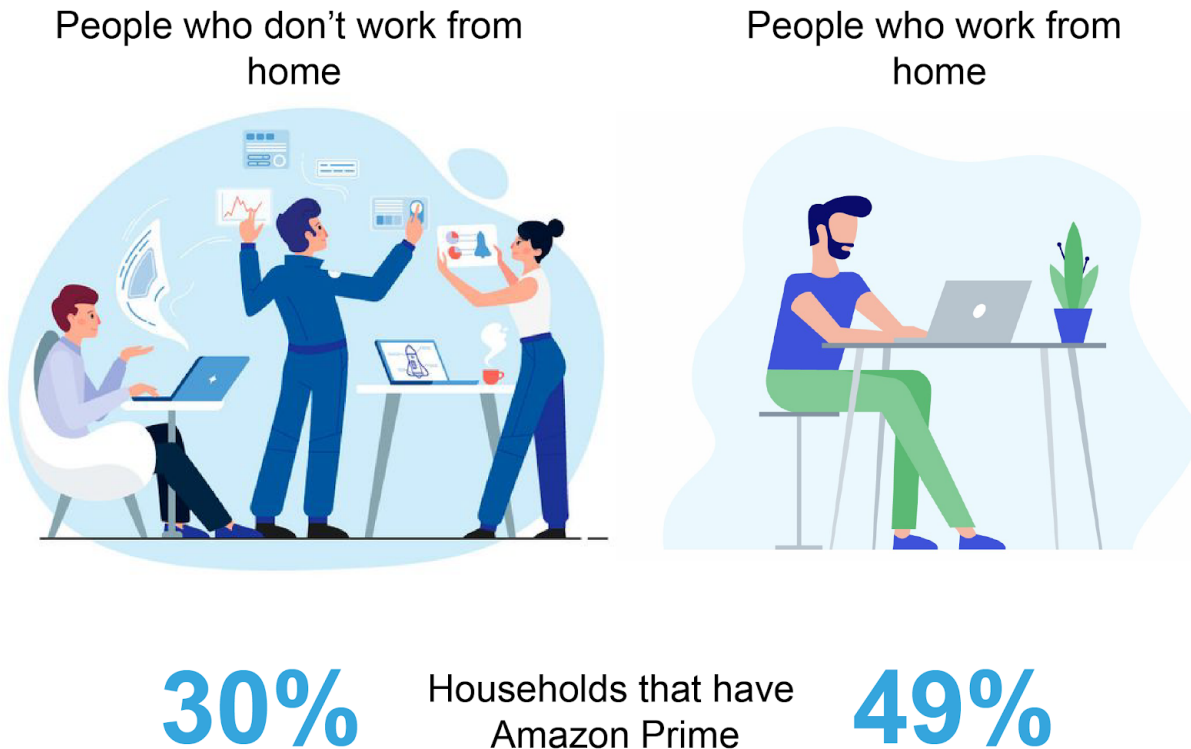


(Source: PwC Canadian Consumer Insights 2020)

Work From Home Consumer Trends

Since the start of the pandemic, there has been a shift for employees to work from home as more businesses and companies are settling into providing new working arrangements to support COVID-19 health and safety measures. This new shift or acceleration of previous trends has also created more obstacles for retailers, who now have to find new ways to market to consumers who work from home. The consumer insights survey showed that many people who work from home have Amazon Prime memberships and tend to shop on micro trips. Micro trips are defined mainly as short trips to the store that are around five minutes. Younger generations have increasingly done more micro trips over the past few months during COVID-19, buying mostly fresh food ingredients (Gooding & Moro, 2020).

Chart 7: The Link Between Working From Home and Shopping Online



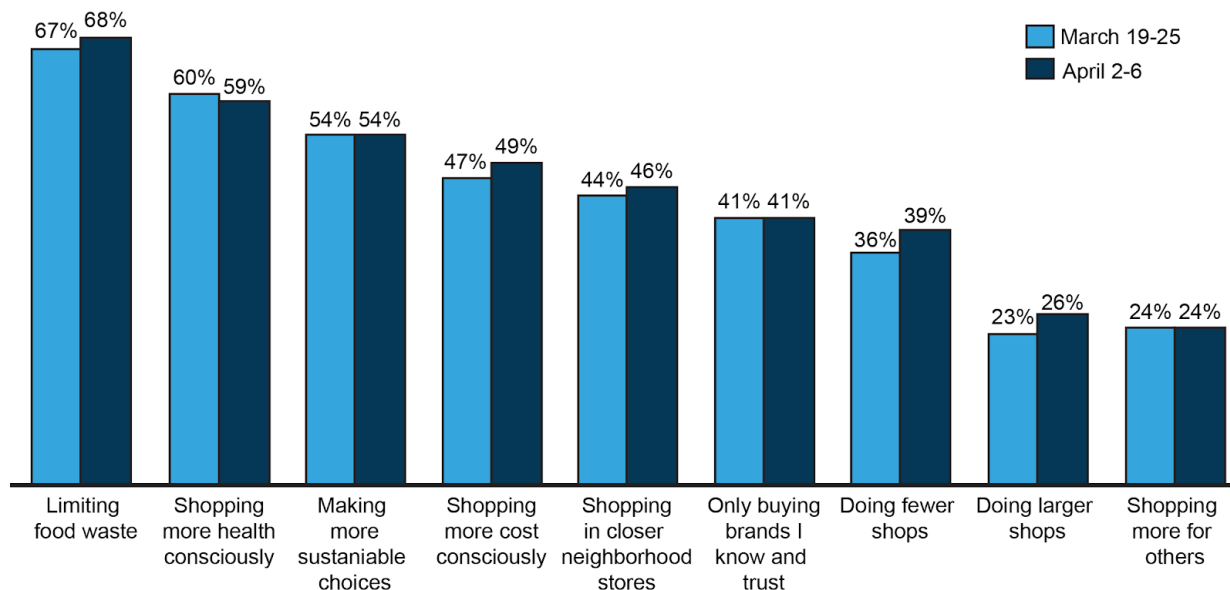
(Source: PwC Canadian Consumer Insights 2020)

Consumer Consciousness and Buying Local

Consumer behaviour has changed dramatically since the start of the pandemic, when the majority of consumers' priorities centred on basic needs. Demand for hygiene, cleaning and basic products increased, while non-essential products declined. The pandemic changed consumers' normal purchasing behaviours and is helping to create new longterm habits such as focusing on health and buying local (Blackburn & Wright, 2020). Additionally, consumers have started being more conscious about what they are buying in order to limit food waste and support more sustainable options. Brands and businesses should adjust to this key trend as there has been an overall increase over the years with consumers buying more sustainable products. The Buy Local trend is represented in both buying locally-sourced products and buying from community stores or small businesses (Blackburn & Wright, 2020).

Chart 8: Consumers Expect Permanent Changes to Their Shopping Habits

Limiting food waste and shopping more health consciously are the top two priorities for consumers



(Source: Accenture-How COVID-19 will permanently change consumer behaviour)

The Confidence

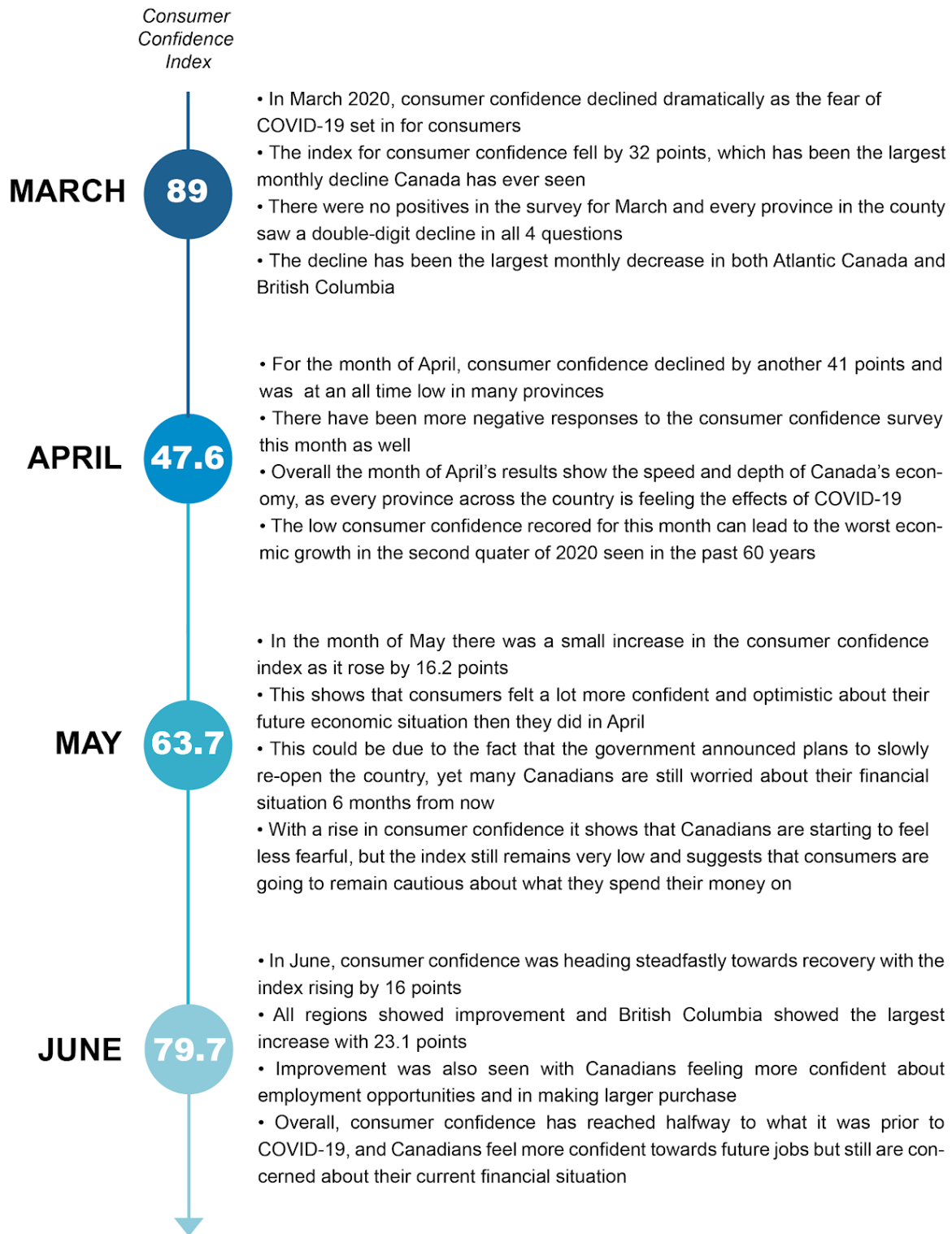
The Consumer Confidence Index measures consumers' optimism toward the current economic state of Canada. It is based on the Conference Board's survey of Canadian households, which collects responses for four questions from a sample of households.

The four questions that are part of the survey are as follows:

1. Do you think your family is better or worse financially now than six months prior?
2. Do you think your family will be better, worse or the same financially six months from now?
3. What do you think the employment situation will be like in your community six months from now?
4. Do you think now is a good or bad time for the average person to make a large purchase for things such as a car or house?

The methodology behind the index of consumer confidence is based on the percentages of positive and negative responses that are calculated at both the regional and national levels.

Chart 9: Consumer Confidence Throughout the Pandemic



(Source: Index of Consumer Confidence, 2020)

Canadian SWOT Analysis

This general SWOT analysis compiles key information from the previous portions of this report which pertain to the capacity of Canadian Business Improvement Areas to bring back customers to main streets and the associated hurdles to overcome.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Adaptability of local businesses. • Background stories (compared to big companies like Amazon, SMEs on main street have more stories in the community to share and to create unique experiences from). • Businesses are sources of social interaction and can offer marketable experiences. • Significant health and safety infrastructure is already in place. • Strong local economic development ecosystem. 	<ul style="list-style-type: none"> • Many businesses do not have enough funds to invest in marketing due to the impacts of COVID-19 measures. • Lack of knowledge about government support programs (i.e. Businesses want the government to help companies and employees be aware of how to apply for their rights under Federal Employment Insurance) (City of Toronto, 2020). • Issues with support program eligibility criteria and with only property owners being able to apply for rent assistance.
Opportunities	Threats
<ul style="list-style-type: none"> • Job availability is increasing once again and government relief policies are established, so more people will have disposable income. • Many people would be willing to return to pre-COVID-19 habits if the situation is greatly controlled. • Marketing targeted to younger generation consumers, who are less likely to shop at large department stores and are not brand loyal. • Increase in domestic tourism demand. • Greater demand for locally-sourced products and an increase in the consciousness of the need to buy local from community stores. 	<ul style="list-style-type: none"> • The possibility of a second or future wave of COVID-19 negatively impacting consumer confidence in safety measures and forcing non-essential businesses to shut down. • Inefficient communication about health and safety measures from small businesses compared to large corporations which have TV commercials and other campaigns. • Working and studying from home trends mean that there are generally less consumers frequenting large downtown areas. • Competition & lower costs from large e-commerce corporations.



METHODOLOGY

Methodology

Six Key Success Factors

Factor	Definition
	<p>Health & Safety Measures The addition of new means or processes that promote public health and safety within businesses or the general BIA/BID. Additionally, the awareness of the measures by the public. <i>Examples: business occupancy limits, distribution of PPE, etc.</i></p>
	<p>Digital Marketing Measures The use of the internet, digital-based technologies, and/or other digital media platforms as a form of marketing for main streets. <i>Examples: wifi hotspots, social media campaigns, etc.</i></p>
	<p>Target Audience Planning A campaign or initiative designed to attract a specific demographic or target audience to Buy Local from BIA/BID businesses. <i>Example: youth-centred exhibits, events for working professionals, etc.</i></p>
	<p>Placemaking A COVID-19 compliant campaign or initiative designed to capitalize on the community’s local assets, culture, and/or heritage. <i>Examples: events celebrating local historical milestones, cultural festivals, creative physical distancing measures, etc.</i></p>
	<p>Public-Private Partnerships An arrangement between the BIA/BID with one or more private or public organizations to work in collaboration toward a common goal--creating an initiative or ongoing program which will attract consumers to downtown main street areas and promote businesses’ services or products. <i>Example: a partnership with a tourism board to promote local tourism packages</i></p>
	<p>Buy Local Messaging Broad communication efforts with a common theme that encourage consumers to spend their dollars at local businesses. <i>Example: social media promotions, buy local incentives</i></p>

The previous six success factors were determined from commonalities found in overhead research conducted on several domestic and international case studies. Four case studies (two domestic and two international) were then selected in order to conduct a detailed investigation of the specific types of initiatives/campaigns that could be used as a template to develop the Buy Local With Confidence Toolkit. Prominent urban areas known to be undertaking marketing and consumer confidence measures as a specific response to COVID-19 was the basis of selection for domestic cases. Meanwhile, international cases were selected based on the following criteria: how well they mitigated COVID-19 exposure (relative to other countries, globally), the presence of government measures to support economic recovery, and the perceived “adaptability” of local campaigns to fit into the Canadian context.

The case studies chosen were (a) Downtown Vancouver BIA, Vancouver (b) Chinatown, BIA, Toronto, (c) Kampong Glam BID, Singapore and (d) Heart of the City, Auckland BID, New Zealand. Below is a summary of the salient similarities and differences between each BIA/BID for each criterion as well as a legend on how to interpret the bullet formatting used in this section.

Case Study Summary Legend

“✓”	Did implement measure / common across 2 or more case studies
“✗”	Did not implement measure
“★”	Example is unique to BIA/BID

1. Health and Safety Measures

BIAs Implementing Success Factor Measure

- ✓ Downtown Vancouver
- ✓ Chinatown
- ✓ Kampong Glam
- ✓ Heart of the City

Key Trends

- ✓ Widespread distribution of PPE such as face masks (Cheng, 2020)
- ✓ Increased sanitation efforts

- ✓ Public Messaging to reinforce physical distancing policies

Unique Examples

★ Kampong Glam: implemented mobile stores that delivered essential goods to elderly and mobile-challenged individuals based on a strategic drive route (“FairPrice introduces ‘store on wheels’”, 2020)

Where Could it Work?

BIAs/BIDs across the country are already implementing similar health and safety measures and communication strategies within their communities. However, as mobile stores are yet to be widespread and commonplace, BIAs/BIDs with strong connections to their local communities and businesses that have products which could be adapted to a mobile shopping model should consider this measure.

2. Digital Marketing

BIAs Implementing Success Factor Measure

- ✓ Downtown Vancouver
- ✓ Chinatown
- ✓ Kampong Glam
- ✓ Heart of the City

Key Trends

- ✓ Desire to use digital technology to create a “richer”, more “immersive” experience for shoppers that cannot be replicated by online competitors like Amazon
- ✓ Enhancing the online presence of local businesses to effectively occupy space in digital marketplaces
- ✓ Online-only promotional offers to incent consumer activity
- ✓ Communicating with consumers through common digital channels such as social media, websites and e-newsletters

Unique Examples

- ★ Chinatown: virtual reality (VR) experience allows individuals to shop from the comfort of their own homes
- ★ Kampong Glam: wifi hotspots use data analytics to send personalized promotions to mobile phones (Tham, 2017)

- ★ Downtown Vancouver: social media contests such as “Downtown Staycation” which makes all contest participants follow the partnering businesses thereby improving their online engagement
- ★ Heart of the City: an extensive online platform including a destination website, blog, e-newsletter and app for promotion

Where Could it Work?

As the economy continues to evolve, all BIAs/BIDs should continue to move toward online promotion to connect with consumers. As part of this process, businesses should be supported in their efforts to move towards digitalization, or improving their existing online presence. However, the unique measures used in the case studies may be most effective in certain regions. For example, VR experiences are an advanced technological innovation that would likely be best embraced in highly urban areas with budding tech hubs. Meanwhile, social media contests and wifi hotspots are measures that speak most closely to the interests of young millennials and Generation Z youth.

3. Target Audience Marketing

Regions Implementing Success Factor Measure

- ✗ Downtown Vancouver
- ✗ Chinatown
- ✓ Kampong Glam
- ✓ Heart of the City

Key Trends

- ✓ Emphasizing what areas of life remain the same during times of change
- ✓ “Experiential Marketing”

Unique Examples

- ★ Kampong Glam: Muslim business owners flocked to social media and their websites, creating a makeshift online “bazaar”; underlined the importance of the Holy Month to their long-time customers to uphold the shopping levels typically experienced during the religious festivities (Azliah, 2020)
- ★ Heart of the City: a series of evening events and nightlife activities were initiated to encourage 9:00 - 5:00 daytime workers to “explore after work” (Heart of the City BID. “After Work Meets.” 2020)

Where Could it Work?

Initiatives targeting specific consumer demographics can be started anywhere; however, they require thorough research of the size and interests of the population being served. For example, once students return, “university” towns may want to capitalize on their larger student population, while communities close to nature tourism resources may want to market to fishing, birdwatching or nature enthusiasts.

4. Placemaking

Regions Implementing Success Factor Measure

- ✓ Downtown Vancouver
- ✓ Chinatown
- ✓ Kampong Glam
- ✓ Heart of the City

Key Trends

- ✓ Domestic cases underline solidarity while denouncing racism and xenophobia
- ✓ Promoting domestic tourism through local cultures and history
- ✓ Positive, “feel good” and welcoming messaging
- ✓ Visual, non-crowd generating displays are increasingly emphasized
- ✓ Health and safety measures such as parklets and pedestrian space

Unique Examples

- ★ Downtown Vancouver and Chinatown: statements and gestures from political figures explicitly renounce discrimination that has been unfairly affecting Asian-owned businesses and attempt to rebuild trust and compassion within community
- ★ Chinatown: a STEPS Initiative partnership resists racist narratives by demonstrating and celebrating the beauty of Chinese culture through public art
- ★ Kampong Glam: capitalizes on local/national milestones by providing complimentary memberships to the National Art Gallery and showcases centred around Singaporean history and culture; initiative provides an easily marketable theme for all businesses to use while also encouraging consumers to invest in their own people and communities as part of their celebration of identity (Pek, 2020)
- ★ Heart of the City: creative installations were set up including a Heart of the City mural series and a festival marking the new year in the local native culture (Heart of the City BID. Archived: Matariki Festival, 2020)

Where Could it Work?

Anti-racism and solidarity messaging would be most effective in highly ethnically diverse communities or areas where it is known that businesses have suffered as a result of xenophobia. The promotion of domestic tourism through local cultures would be easiest to accomplish in places with a rich heritage or cultural sites, or in places commemorating community milestones (e.g., 50 years since the first BIA has been established).

5. Public-Private Partnerships

Regions Implementing Success Factor Measure

- ✓ Downtown Vancouver
- ✓ Chinatown
- ✓ Kampong Glam
- ✓ Heart of the City

Key Trends

- ✓ Experience-based opportunities made attractive by their artistic quality
- ✓ Experimenting with innovative endeavours and best practices from other areas
- ✓ Collaborating with individual as well as multiple BIAs/BIDs

Unique Examples

- ★ Downtown Vancouver: picnic tables open for use outside of the City's art gallery plaza, allowing individuals to enjoy the beauty of the space in safety while also bringing people closer to the nearby food vendors
- ★ Kampong Glam: collaboration between the BID, Color Inc and the Singapore Tourism Board whereby back alleys of main street shops were adorned with art to increase foot traffic in the area ("Singapore's First Outdoor Art Gallery", 2020)
- ★ Heart of the City: has a strong partner in Auckland's City Council, Events and Economic Development (ATEED, 2020) Division which plays a large role in promoting Auckland as a tourism destination. This partner also offers free online digital assessments to businesses to help them with their own online business presence (ATEED, "Free customised digital action plan")
- ★ Chinatown: collaboration with Digital Main Street, Ontario Business Improvement Area Association (OBIAA), Toronto Association of Business Improvement Areas (TABIA), and the Provincial and Federal governments, whereby summer students were commissioned to assist small business owners to improve their online presence

Where Could it Work?

In general, public-private partnerships were found to play an important role in many Buy Local and consumer confidence endeavours, and overlap significantly with all other success factors. One example is that art installations could be used as an attraction for all municipalities; especially those with strong arts and cultural organizations or with areas that have a high youth population that are drawn to the social aspect of these initiatives.

6. Buy Local Messaging Campaigns

Regions Implementing Success Factor Measure

- ✓ Downtown Vancouver
- ✓ Chinatown
- ✗ Kampong Glam
- ✓ Heart of the City

Key Trends

- ✓ Integration of digital marketing in strategy
- ✓ Creative empathy campaigns to help support most hard-hit businesses
- ✓ Communication of updates on ways to support or shop local depending on the situation with COVID-19 government measures
- ✓ Messaging that is welcoming to consumers or evokes positive emotions

Unique Examples

- ★ Downtown Vancouver: hashtags were used on social media to encourage people to shop local; in some cases, these hashtag campaigns were augmented by gift incentives from businesses hoping to bring a first wave of customers back through their doors
- ★ Chinatown: website created involving the following three phases meant to bring consumers closer to their local businesses; (1) filming the interior of various business spaces, and (2) and (3) both include business-specific promotions i.e. personal testimonies
- ★ Heart of the City: a “Rediscover the City” video series/commercial campaign helps assist sectors most impacted by COVID-19 (Heart of the City BID, 2020)
- ★ Heart of the City: extension of “Restaurant Month” promotional event and increased messaging about which restaurants offer pick-up/delivery services as Auckland regressed into a more restricted stage of opening (Templeton, 2020)

Where Could it Work?

Digital buy local messaging is a good way to connect to large audiences and would therefore be effective in more urban areas. Empathy campaigns can be a strong tool for smaller communities where pre-existing relationships between business owners and consumers are present. While Buy Local campaigns may have the same general theme, the messaging can and should be adjusted to each BIAs'/BIDs' community based on their unique demographics, communication channels and rapport with residents.

Recommendations

The toolkit for BIAs/BIDs included with this report has a number of suggestions to support these local economic development organizations in their endeavours to create Buy Local campaigns that also inspire consumer confidence in health and safety measures. Here are some additional key recommendations for BIAs/BIDs:

- The six success factors included in the evaluation of the case studies can play a key role in helping BIAs/BIDs target methodology that will make their marketing campaigns successful.
- Creating “immersive” and “rich” interactive experiences across BIAs/BIDs speaks to young consumer behaviours and adds unique value that cannot be mimicked by even the largest online competitors.
- Focusing on Buy Local campaigns and attraction factors that will be less affected by additional waves of COVID-19 and more likely to continue to support businesses during an increase in restrictive measures.
- As consumer confidence in regards to health and safety has shown to be a significant factor impacting spending behaviours, ensuring not only that measures exist but that they are well communicated to the public, should be in place for a successful Shop Local campaign.
- Consider the diverse needs of local businesses and the varying ways they are impacted when formulating initiatives for incentivizing local shopping.

The following are recommendations for all levels of government to institute to improve consumer confidence and spending in downtown main street areas:

- It will be too late to realize the benefits of Community Buy Local campaigns if permanent closures rise. Prepare for future waves of the virus by consulting with local economic development organizations such as BIAs/BIDs to improve financial support programs for businesses.
- Allocate an additional incentive to assist SMEs with expenses related to necessary health and safety COVID-19 measures.
- Collaborate with local BIAs/BIDs to create or promote Buy Local marketing campaigns that also inspire consumer confidence, which are adapted to each local businesses' and residents' needs.

- Institute a system similar to the Toronto [DineSafe](#) Program whereby when a business passes a COVID-19 measures inspection, they receive a notice to display in their window. Alternatively, create a voluntary version where businesses could apply for a badge to display by undertaking specified health and safety measures similar to the [City of Sydney](#) badge program.
- Form a new grant program similar to the [Innovative Street Pilot Project Fund](#) in New Zealand, which allows BIAs/BIDs to test innovative street solutions. This would allow for new creative ideas including physical distancing and other COVID-19 measures to be tested in downtown areas on a quick timeline.

Conclusion

The COVID-19 global pandemic was a near unprecedented and unanticipated event, leading to an economic shutdown, and resulting in the loss of numerous jobs worldwide. Some businesses were impacted more than others, while others found ways to adapt to new trends. Changes in consumer behaviours have caused a disruption in the economic landscape, resulting in many challenges and great financial losses for businesses. Local main street businesses require guidance and support to rebuild their consumer base.

The importance of BIA/BIDs in helping SMEs survive and thrive during this exceedingly difficult time is evident now more than ever. Shop Local became a marketing tool utilized by BIA/BIDs to help SMEs continue within their communities. Moreover, BIA/BIDs play a key role in helping SMEs regain consumer confidence and get shoppers back into stores. As evidenced in this report, this consumer return will also require the partnership of local governments to support businesses and encourage the return of consumers to main street as outlined in the recommendations. Based on the Canadian SWOT analysis and methodology created around the six success factors outlined herein, a Shop Local With Confidence Toolkit to help BIAs/BIDs was developed as a next step to this report. This toolkit includes Buy Local with Confidence campaign examples as well as information and tools for BIAs/BIDs to create or adapt their own campaign based on the unique characteristics of their communities. As Canada moves forward into a recovery period, it is important to reflect on the direct and indirect impacts of the COVID-19 pandemic. The events of this year have clearly illustrated the need for preparedness in the most unexpected of situations, and the potential for BIA/BIDs to protect and promote their local businesses.

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Appendices

The Process

Research

This portion of the report was done to provide a thorough understanding of the Canadian economic landscape and the biggest trends impacting main street businesses during COVID-19. The research was separated into five main categories: Covid-19 Economic Impact, Business Conditions, Government Response, Consumer Trends, and Consumer Confidence. The research materials explored were varied, but focused mainly on data from Statistics Canada, government websites, articles and publications from major publishers, including the CUI and CBC, and business and market survey reports. Only research released during the onset of COVID-19 to the writing of this report was examined for all sections except Consumer Trends, which looks at some trends that started before COVID-19 and were exacerbated during the pandemic.

Case Studies

A preliminary scan was conducted to ascertain potential Canadian and international regions with BIA or BID organizations to include in the research. The team looked for case studies in a variety of urban contexts with initiatives and approaches focusing on promoting consumer confidence and Buy Local marketing. To create consistency, the following criteria were examined: health and safety measures, digital marketing measures, public-private partnerships, target audience planning, placemaking and buy local marketing messaging campaigns. Both COVID-19 as well as some non-COVID-19 activities that are also relevant to the current situation and criteria were considered where they may prove of benefit during COVID-19.

Toronto and Vancouver were chosen as prominent urban areas with a wide selection of BIAs that were confirmed to be undertaking marketing and consumer confidence endeavours during COVID-19. Chinatown BIA was chosen in Toronto as a mid-sized BIA which presents an interesting study of BIA initiatives in a culturally clustered area. Additionally, as a project team member was a staff person at this BIA, insights were more readily available during this busy time for BIAs. Downtown Vancouver BIA was selected in Vancouver due to its wide range of programs and core downtown area.

To explore a wider range of COVID-19 initiatives international case studies were also chosen. Singapore and New Zealand were selected as both of these countries represent areas which have fared well compared to other countries in terms of mitigating virus exposure and whose governments are also looking at ways to support economic recovery. Heart of the City BID in Auckland, New Zealand's largest urban area, representing approximately one third of the population of New Zealand, was selected to provide the perspective of a larger-sized BIA with established programming and partnerships (RIMU, 2019). Kampong Glam was selected from Singapore's ten BID precincts because it is described as "a melting pot of heritage, culture and tradition with unique experiences for all," which is reflective of many culturally diverse metropolitan cities in Canada ("Singapore - Business Improvement Districts", n.d.).

The individual case study research involved gaining a preliminary understanding of the locational context of the BIA/BIDs being explored. This included demographic statistics, current economic challenges and opportunities, as well as any salient factors relating to the activity and promotion of mainstreet businesses. Next, the six "success criteria" mentioned previously were used to summarize and dissect the initiatives taking place in the BIA/BIDs selected. The applicability of the case studies initiatives to a wide range of urban BIAs in the Canadian context was evaluated.

Primary information was sourced from BIA websites, documents and social media. The vast majority of the research in this stage was also in the form of a media analysis, which involved reviews of secondary sources news articles. Local, regional and national-level websites were used to provide the data informing the first stage of research. A short survey template and introductory email was created for key informants such as BIA/BID staff for the Canadian Case Studies. Responses were limited within the short timeline, likely due to it being a busy time for BIAs/BIDs staff as well as survey fatigue. A short phone interview with Gavin Duffus, MPL Economic Development Manager of Downtown Vancouver BIA was conducted. Questions for this interview included inquiries on the implementation of strategies in our "success criteria" as well as open ended questions relating to the perceived reception of the area's COVID-19 specific economic recovery efforts.

Interview/Survey Format

This short questionnaire was emailed to the BIA/BID case studies. If the informant preferred a phone call or was available for one, a fifteen minute interview was scheduled. The interview was to facilitate a more open-ended discussion in order to provide additional depth.

1. Could you briefly describe (bullet points are fine) any marketing measures you have implemented to boost consumer activity in your district as a direct result of COVID-19. Have these measures been effective or well-received so far, in your opinion?

2. What measures to inspire consumer confidence and spending have you undertaken (if any) in the following categories?
 - a. Health and safety initiatives (i.e. PPE, safety measures, consultations, etc.)
 - b. Public-private partnerships
 - c. Targeted programming (i.e. youth, elderly, students, cultural groups, office workers, etc.)
 - d. Digital campaigning (i.e. social media campaigns, Wi-fi hotspots along main streets, online shopping measures)
 - e. Placemaking initiatives (i.e. cultural events, art exhibits, parklets, etc.)
 - f. Buy local campaigns

3. How do you see the future of main street downtown areas evolving during the COVID-19 economic recovery and beyond (1-2 key thoughts)?