

BIZ SMARTS

Tools for growth

DOING BUSINESS IN...DOWNTOWN ROSEVILLE



DENNIS McCOY | SACRAMENTO BUSINESS JOURNAL

Historic Old Town Roseville has an updated streetscape. The city has made infrastructure upgrades to the downtown area to attract businesses.

Roseville's core is quietly growing

CITY INVESTMENTS IN DOWNTOWN PAY OFF, THOUGH CHALLENGES REMAIN

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Correspondent

Downtown Roseville hasn't always registered as a happening place for local shoppers. But that's changing as old and new businesses invest in the core of a city better known as a suburban success story.

The city and the merchants are reinventing downtown as a destination spot with new infrastructure, trendy restaurants, breweries and boutique shops. Merchants say success will require taking some financial risk and a willingness to creatively take advantage of events that bring foot traffic to the area.

As defined by the local merchants association, downtown includes two areas divided by railroad tracks. To

the north is Historic Old Town, which stretches several blocks between Washington Boulevard and Lincoln Street. To the south is the Vernon Street district, which includes a triangle bounded on two sides by the tracks and Douglas Boulevard.

The city has spent millions on infrastructure, including the town square, a traffic roundabout, parking garages and bridges. Chris Robles, CEO of the Roseville Community Development Corporation, said it isn't attracting the national chains that inhabit the Galleria, but rather new businesses and local retailers that want to open a second or third shop.

Improvements are already paying dividends. The town square celebrated its one-year anniversary and has hosted 100,000 visitors. In

addition, special and weekly events have thousands of people flocking to downtown.

This has come at a price for some merchants. Property owners are upgrading buildings, squeezing out tenants who benefited from lower rents, said Scott Alvord — who is owner of Dash of Panache, a café and tea shop, and president of Downtown Roseville Merchants Inc.

Alvord, who has been downtown for 10 years, said some businesses didn't survive the economy and closed up shop. "That has opened opportunities for others. We've got a lot of people coming down here. There are buildings being renovated. It's a hot place to be."

To be successful, businesses need to take advantage of events that draw people to downtown, Alvord said.

Customers may not walk in that night, but they will later.

Merchants recently agreed to the formation of a property business improvement district that will assess members enough to raise over \$200,000 annually for improvements.

Robles said buildings with more improvements and renovations command significantly higher rents, but still less than the Galleria and attract the same demographic. "What we're seeing is a lot more pedestrian traffic and that is also driving those rents."

JoAnn Funk, owner of Nice Twice, a small consignment shop, said she has been in business for 35 years, but will be closing after her lease expires in January. "The rents are horrendous. You really need money. I had planned

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MARKETING

Wait till the timing is right to rebrand

BRANDS MUST EVOLVE WITH BUSINESS – BUT STEP CAREFULLY

I'm sure you've heard the saying that the only constant in life is change. If you're a business owner, you know that all too well. When you start a business, you develop a brand that fits with your vision, goals, messaging and culture. But as your business evolves, so too must your brand.

Rebranding is a major endeavor, both financially and operationally. Many companies embark on it with high hopes and enthusiasm; the chance to revive profits via a fresh new look and feel. Yet most rebranding efforts will miss the mark and fail.

Two recent epic failures include Tropicana and Gap. Their failures resulted from an overemphasis on the visual attributes and aesthetics of the brand rather than the actual meaning behind it – i.e., how it engages with the audience, and the thoughts and emotions that are evoked. As a result, both companies went back to their old logos (or versions very close to them). To be successful, rebranding must go far beyond a revamped logo and visuals. It needs to stimulate your brain and excite your emotions.

The three questions you need to ask yourself before you change your brand are: Does your brand resonate with your target audience? Is your brand relevant today? And do your goals, vision and culture reinforce the brand?

The rebranding efforts of Tropicana and Gap created consumer backlashes because neither brand seemed to



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have a strategic reason for the change. They appeared to be rebranding for rebranding's sake. Their original logos were still relevant. What were they thinking? What strategic goals, messages and cultural changes were they trying to communicate?

Contrast those rebranding introductions to some successful ones. For example, the evolution of the Apple logo has been a huge success. Apple started out with a focus on education and their original logo reflected that. It featured a child sitting under an apple tree reading a book with the name Apple Computer Company surrounding the image. As the company quickly evolved, so did its logo, starting with a modern – but very friendly – rainbow apple-shaped logo in 1976.

The brilliance of this move was that technology and computers were complicated and a bit scary for most people. Apple made their brand familiar and approachable. In later

years the company further simplified the logo, keeping it relevant, in a way that truly reinforced its brand.

Another successful example of rebranding is UPS. The company has had four logos over its 100-year-plus history. In 1961, the company introduced the logo most of us are familiar with, which included a rectangle package tied with twine above a shield meant to represent stability and integrity. The current logo, introduced in 2003, no longer features a package tied with twine – it's three-dimensional, modern and has an almost superhero-like aura about it.

The company did not depart fully from its brand, but modernized it to reflect the ever-evolving business. UPS didn't change for the sake of change – it evolved to ensure the brand resonated with customers, that it was relevant and that it reinforced the message about its business.

So – when is the right time for a company to rebrand? The answer is different for every business. But you need to go back to the three key questions to ask yourself: Does your brand resonate with your target audience? Is your brand relevant today? And do your goals, vision and culture reinforce the brand? If the answer to any of those question is no, you should absolutely take a long, careful look into moving your business and brand into the 21st century.

CALENDAR



TECHCON SACRAMENTO

9 a.m.-7:30 p.m., Sacramento Convention Center, 1400 J St., Sacramento

A full day of keynotes, break-out sessions and investor pitches. Contact: techconsacramento.com



REGIONAL DEVELOPMENT – ELK GROVE

8-10 a.m., Barbara Morse Wackford Community Complex, 9014 Bruceville Road, Elk Grove

Hear about the state of the city and its plans for the future. Contact: bizjournalerevents.com



A WOMEN'S FORUM: CONNECTING THE DOTS

8 a.m.-noon, Embassy Suites, 100 Capitol Mall, Sacramento

Presentations designed for women business owners and professionals. Contact: sacblackchamber.org



2014 STATE OF SACRAMENTO COUNTY

11:30 a.m.-1:30 p.m., Sheraton Grand Sacramento Hotel, 1230 J St., Sacramento

Luncheon will focus on the intersection of technology with local government. Contact: metrochamber.com

Submit calendar items at least three weeks in advance to sacramento@bizjournals.com.

Roseville: Some stores depend on events for foot traffic

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to stay here forever."

She said the infrastructure investments and the foot traffic have not benefited her shop, which gets customers from all over, especially during the holidays.

But she misses the traditional anchor stores that drew shoppers all week long.

"This used to be a shopping destination – there were drug stores, jewelry stores ... (now) there are only five places to shop on my block. Nothing that generates a lot of foot traffic."

Wendy Gerig, CEO of the Roseville Chamber of Commerce, said that the downtown has gone through several iterations to find its niche. Businesses saw the opportunity but needed the capital to invest.

"I'd call them risk-takers. I think some people came in a little early, and they still need to find those feet on the street," Gerig said. "Hopefully, those businesses will have enough up-front money to stay the course."

DOING BUSINESS IN DOWNTOWN ROSEVILLE

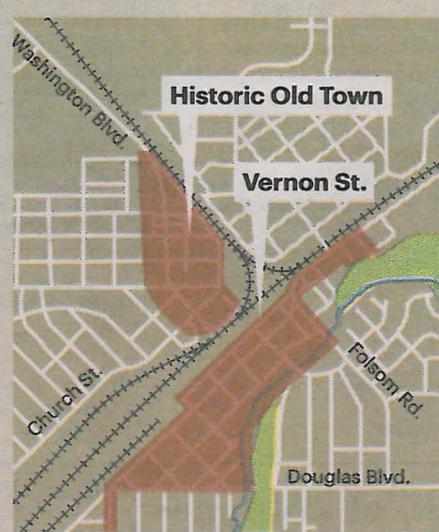
OPPORTUNITIES

- ▶ Events can draw customers from a wide area.
- ▶ Growing number of boutique retailers is slowly making the district a destination.
- ▶ Services such as dry cleaners and insurance agencies create foot traffic by drawing office workers for lunch and other necessities.

CHALLENGES

- ▶ Effort is needed to reach customers with flyers and coupons.
- ▶ Rents are rising.
- ▶ Downtown is still evolving, and locating in the area requires a tolerance for risk.

Gerig noted that there are service businesses such as insurance agencies, phone companies and accountants downtown, whose employees also benefit from merchant offerings.



Roseville Cyclery on Vernon Street opened last year and is thriving. "We love the ambiance of an old town. A bike shop is a destination, and it's a definitely a little more high end and boutique for the area,"

said Oliver Bell, co-owner.

He added that it was a challenge jumping in because it was more of a seedy area, but the shop is way ahead of projections and the rent is reasonable. Bell said that in addition to customers that already knew him by reputation, the increased foot traffic from other destination spots will also bring in business.

Perhaps two of the best-known restaurants on Vernon Street are The Monk's Cellar and Sammy's Island Bar & Grill. The Monk's Cellar is a high-profile brewpub that opened this fall. Sammy's closed unexpectedly last year but recently re-opened under ownership. It celebrated the occasion with a Sammy Hagar concert in September, which drew over 3,000 people. General manager Peter Colman said the restaurant has a new menu, a new chef and, most importantly, new owners.

"It's not a problem getting business. People love our product. It's just getting people to know we're back," he said. The concert certainly helped. "We absolutely love being downtown."