



CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: James Lopez, Assistant City Manager
Martha Chaudhry, Special Projects Coordinator
David Wolbrecht, Neighborhood Services Outreach Coordinator

Date: September 24, 2020

Subject: SHOP LOCAL KIRKLAND INITIATIVE

RECOMMENDATION:

That the City Council receive an update on the Shop Local Kirkland initiative. Presenting will be Assistant City Manager Jim Lopez and Special Projects Coordinator Martha Chaudhry.

BACKGROUND DISCUSSION:

The onset of the global Covid-19 pandemic in March 2020 and ensuing restrictions imposed by local, state and federal governments have severely and negatively impacted businesses that operate and depend on in-person, local and regional customers. Mandated stay-at-home orders and place-of-business closures have meant drastic reductions in revenues for small businesses. Expected resurgences in Covid-19 infection rates and predicted 'second and third wave' outbreaks make a linear and progressive path to economic recovery uncertain.

Further, the coronavirus pandemic, and the ongoing threat and fear of infection, have caused a dramatic shift in consumer behavior and expectations. Even in phased re-opening scenarios, customers are reluctant to conduct business in person. Seemingly overnight, no-contact commerce has become an essential component of the economy, and there is an urgent need for small businesses to transform digitally so that they are able to be discovered online and transact online with consumers locally, regionally and globally.

According to the Small Business Association (SBA), approximately 50% of businesses nationally do not have a website. Substantially fewer than that transact online. Moreover, a majority of small businesses polled during the pandemic report a desire to increase readiness, resiliency and to prepare for possible future outbreaks. Other than purchasing supplies, the most common

actions taken to prepare are updating websites or social media profiles (29%) and increasing e-commerce or digital payment options (25%).¹

A Strategy for Business Relief: Early Pandemic Response

In the immediate aftermath of the onset of Covid-19, the City's response to supporting the Kirkland business community was to swiftly stand up two relief funds: the Small Business Relief Fund, administered by the Greater Kirkland Chamber of Commerce and the local branch of Banner Bank, and the Kirkland CARES Small Business Relief Fund, administered by the City. These grant funds have and will play a vital role in helping Kirkland businesses survive during the pandemic.

A Strategy for Business Recovery: Shop Local Kirkland Initiative

Now nearly seven months into the pandemic and moving through the Governor's Safe Start program, many Kirkland based businesses have partially returned to revenue generating operations. Innovation and adaptations can be seen everywhere, such as Streateries and Parklets allowing restaurants and shops to expand on-site operations while complying with social distance requirements. Also, the widespread wearing of masks, limits to customers allowed inside stores, and pickup and delivery services have all contributed to a "new normal". Paramount among the adaptations inspired by the pandemic is ecommerce capability, which is the capacity to transact virtually and participate in the online economy.

The Shop Local Kirkland initiative (SLK) responds to the needs of local businesses as they position to revive and then to thrive through the Governor's Safe Start Plan and beyond. It also responds to the needs of Kirkland businesses extending beyond the relief phase and into the recovery phase of Covid-19.

Components

SLK has two primary program pillars which overlap in both development and function. The first is the SLK website (www.ShopLocalKirkland.com), a local, digital "Main Street" which serves as a gateway to lead consumers to the various ecommerce platforms of Kirkland businesses. The second pillar is a vigorous consumer engagement campaign to drive traffic through the platform, which is intended to boost the reach and revenues of Kirkland businesses.

1. Digital Mainstreet

The SLK strategy relies on adaptation to a new normal, recognizing trends arising from Covid-19 that are expected to characterize economic activity not just temporarily, but permanently. Taking a longer view than stop-gap grant funding, SLK brings recovery 'through the (digital) front door' in the form of customer spending, rather than through the 'back door' in the form of relief monies.

¹ SBA July 2020 small business coronavirus impact poll <https://www.uschamber.com/report/july-2020-small-business-coronavirus-impact-poll>

At its essence, the SLK web platform is a visually pleasing registry of Kirkland business listings. The platform's innovation is that it connects businesses with critical ecommerce and delivery service providers to enable digital transformation, while also connecting Kirkland businesses to consumers.

City staff have collaborated with three locally based ecommerce and delivery service providers as initial collaborators. The SLK platform can accommodate any additional such providers over time. SLK's 'opening bell' collaborators are as follows:

1. Swingbuy is a digital, on-demand marketplace, which is mobile app based and offers a 2-hour local delivery service within a 15-mile radius;
2. Meylah offers out of the box and full-service ecommerce solutions, as well as online voucher solutions to businesses without websites or whose websites do not have ecommerce capability;
3. BizX is a business-to-business (B2B) bartering economy that utilizes a digital currency BizX dollars to enable cashless transactions for goods and services regionally, nationally and globally.

2. Consumer Engagement Campaign

The SLK digital marketplace can only be effective for the local economy if it is useful and enticing to consumers. The SLK initiative will rely on a vigorous marketing campaign to drive traffic through the portal to the ecommerce websites of Kirkland's businesses. This phase of the initiative is in development, with possible components including:

1. City media and marketing campaign to raise awareness and generate engagement including digital and print media;
2. Public relations;
3. Social media strategies such as User Generated Content, reviews, stories, featured businesses and other social marketing strategies;
4. Leveraging Kirkland organizations to help promote the platform and initiative, such as the Greater Kirkland Chamber of Commerce, the Kirkland Downtown Association, and other business associations and networks;
5. Leveraging existing Kirkland events and programs to publicize and promote engagement; and
6. An incentive marketing strategy and campaign to ensure the shopping through the Shop Local Kirkland portal is financially compelling for consumers.

Funding

To date, SLK has been paid for using CARES Act funding. Specifically, CARES Act expenditures include the one-time cost for designing and building the website (\$36,100), and most of the cost for the 2020 merchant management system subscription (\$6,100). The CARES Act will also fund most of this year's SLK related City staff time. Over the next biennium, the City expects to support the ongoing program (there are \$12,600 per year subscription costs) by

reprioritizing existing economic development professional services funding and implementing modest changes to City communications and economic development work programs.

Staff may present to Council additional, but not necessary, funding requests as new SLK ideas develop. For example, the City may consider using resources to provide rebates or voucher rewards for customers using the platform. Any such requests would likely need to be funded outside of existing resources.

Timeline and Milestones

Below is a diagram of the expected key milestones for the development of the SLK initiative. At present, the project is in the Business Soft Launch stage.



Staff are currently completing the development, testing and launch of the web platform in collaboration with the City’s contractor. The website is expected to go live in a soft launch the week of September 28, 2020. Following the site’s soft launch, the immediate next step is to onboard Kirkland based businesses, support the businesses in building their digital storefronts and aggregate a marketplace of Kirkland businesses on the platform. Outreach to businesses has already begun, with the following metrics:

- 16 businesses have registered on the platform’s temporary landing page prior to launch and are waiting to create their digital storefronts following launch;
- 14 businesses have filled out interest form;
- 34 Farmers’ Market vendors have participated in early outreach efforts and await the platform launch to register their businesses;
- 60 Kirkland based businesses identified by our ecommerce and delivery collaborators have been shortlisted for direct outreach, a good proportion of whom are expected to register their business during the initiative’s soft launch.

Metrics

Measurement of the success and reach of the SLK initiative pertains both to business participation and consumer engagement.

Business Participation Metrics

Key business metrics during the development phase of the initiative include determining response from outreach and business registrations on the platform. The website has a built-in dashboard that will assist with key metrics. Business participation metrics include the following:

1. Metrics: Business Recruitment Campaign (by Oct 31, 2020)

	GOAL	MEASUREMENT
Reach	4,000 Kirkland businesses	# of Kirkland businesses with email
Response Target	8% or 320 businesses	Clicks on the Business Registration Form
Published Business Storefronts	2.5% or 100 businesses	Published Storefronts on SLK platform

2. Metrics: Leads to Business eCommerce Sites via SLK Platform

This metric is measured via the Dashboard of the SLK platform, and will track the number of leads to business ecommerce platforms initiated on the SLK website:

MONTH	GOAL	MEASUREMENT
November	10% ² or 10 leads	Leads measured on SLK Dashboard
December	10% or 50 leads	Leads measured on SLK Dashboard
January	10% or 200 leads	Leads measured on SLK Dashboard


Consumer Participation Metrics

Metrics for consumer engagement with the SLK initiative are currently under development.

Platform Preview

The first image below shows the SLK landing page which features business storefront 'tiles' for participating businesses. These tiles are a visual business listing, and are displayed in the order received, newest at upper left. When a website visitor clicks on a storefront tile, they are taken to that business's 'digital storefront' page. A sample of a digital storefront page is depicted in the second image. The storefront introduces the customer to the business, and to the shopping and delivery options the business offers. Once a customer selects a shopping method, they are re-directed to the business's 3rd party e-commerce website to shop.

² Leads refer to clicks on a business's ecommerce platform from the SLK portal. Staff cannot track sales conversion once the consumer leaves the SLK platform. Across industries sales conversion rates average 2.35%. The top 25% are converting at 5.3% (WordStream 8/5/20). Staff anticipate being able to target a higher conversion rate because the metric measures click through to an ecommerce store, not a purchase conversion.
















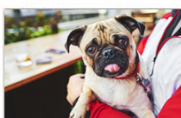


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 <p>Restaurant Cocorus Restaurants Cocorus (60) has more been offering Seattle innovative Southwestern, Mexican and...</p>	 <p>Cafe Urban Coffee Lounge Creating the cafe experience in Alki's Apartment. One has been in and around...</p>	 <p>Restaurant The Black Pub & Grill Cocorus (60) is simply during time of the printing and typesetting industry.</p>	 <p>Business Consultation Pulligatt Business Services Cocorus (60) is simply during time of the printing and typesetting industry.</p>
 <p>Handicrafting Sage and Stone Cocorus (60) is simply during time of the printing and typesetting industry.</p>	 <p>Beauty Salon Bele Marie Salon Cocorus (60) is simply during time of the printing and typesetting industry.</p>	 <p>Massage Parlor Great Wall Spa Cocorus (60) is simply during time of the printing and typesetting industry.</p>	 <p>Business Bibbione Cocorus (60) is simply during time of the printing and typesetting industry.</p>
 <p>Shopping Center Richmond Town Center Cocorus (60) is simply during time of the printing and typesetting industry.</p>	 <p>Pub Shanghai House Cocorus (60) is simply during time of the printing and typesetting industry.</p>	 <p>Gym Anytime Fitness Cocorus (60) is simply during time of the printing and typesetting industry.</p>	 <p>Dry Cleaning Arlo's Fine Dry Cleaning Cocorus (60) is simply during time of the printing and typesetting industry.</p>
 <p>Retail Purpose Boutique Cocorus (60) is simply during time of the printing and typesetting industry.</p>	 <p>Home Cleaning Cascade Maids Cocorus (60) is simply during time of the printing and typesetting industry.</p>	 <p>Car Dealer FinW Luxury Cars Cocorus (60) is simply during time of the printing and typesetting industry.</p>	 <p>Dry Cleaning Arlo's Fine Dry Cleaning Cocorus (60) is simply during time of the printing and typesetting industry.</p>

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Category: Restaurant

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