

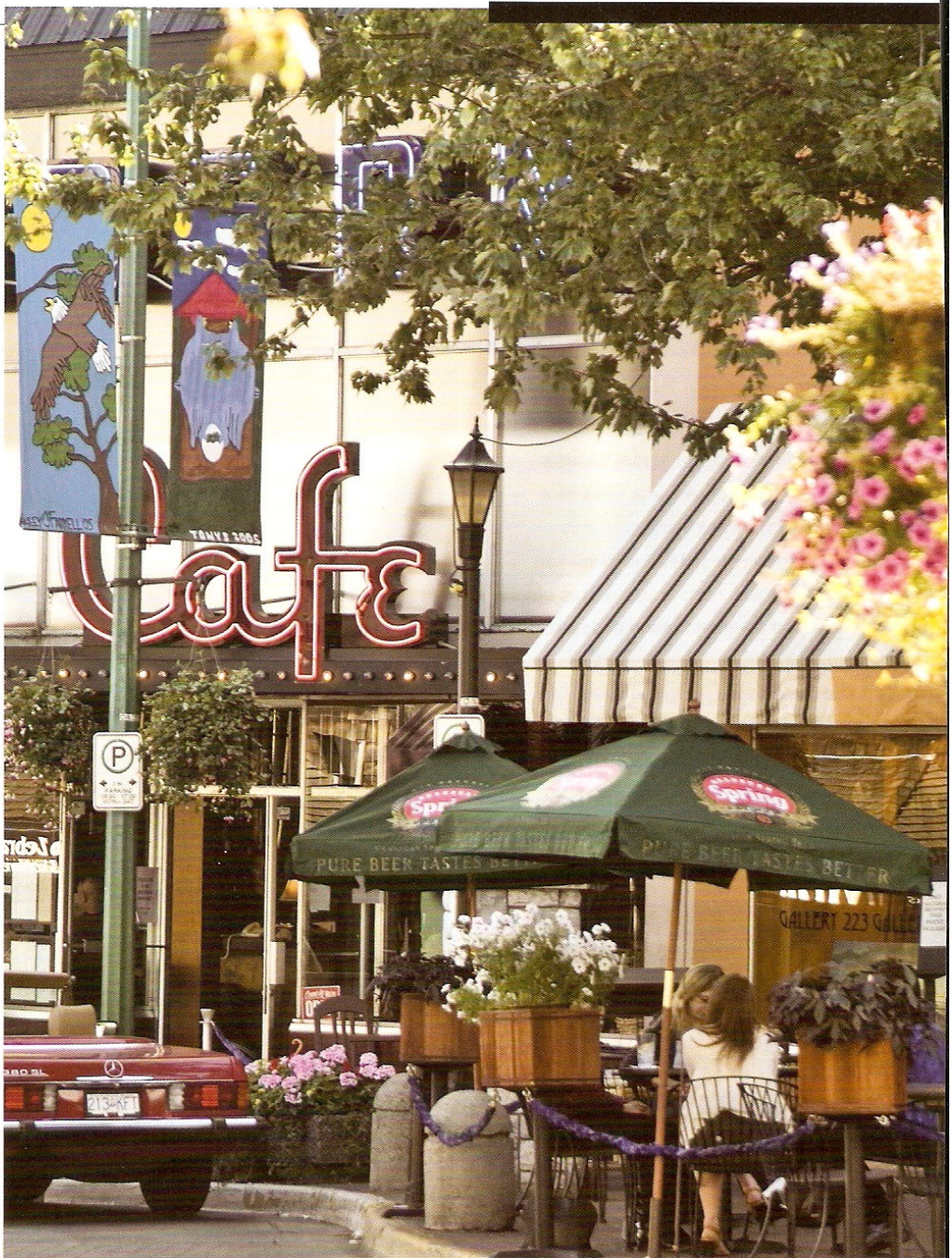
WEATHERING THE RECESSION STORM

Nanaimo's downtown retail businesses have been holding their own and staying optimistic, even through the economic downturn.

On February 19, the *Financial Post* ran an article based on data indicating that Canada's recovery from the economic downturn was "gathering force." Key to this news was a Statistics Canada report illustrating gains in retail sales in six of 10 provinces in December over November. British Columbia was one on the upswing, showing a 0.1 per cent increase. As a community with more retail space per capita than most cities in North America, Nanaimo will have welcomed such information.

In examination of the downturn's level of local impact last year, a city of Nanaimo Economic Development Office survey of over 1,000 businesses revealed 79 per cent of respondents were confident their situation would remain unchanged, or even improve, within 12 months. Six months into the new decade, has this mood endured? And how exactly have downtown Nanaimo's retailers fared during the economic crisis?

"Business stays steady for us regardless of the economic situation," says Steve Lebitschnig, owner of music store, Fascinating Rhythm (51 Commercial Street). Having traded downtown for 10 years, Lebitschnig has experienced lean times before and is now facing the additional industry-specific challenge of the downloading revolution. Regardless, he remains happy enough for now. "As long as figures aren't going down, which they're not, then we're doing alright," he says.



TERRY PATTERSON

Another downtown flagship store apparently flying in the face of the downturn is the 6,400-square-foot furniture, kitchen, décor, and gift emporium, Flying Fish (180 Commercial Street). Manager Heather Wetmore says, "We had our best Christmas ever and have managed to maintain our staffing levels. We felt the pinch a little but have weathered it well."

Across the street from Flying Fish is the established retail art gallery and framing service, Gallery 223 (223 Commercial Street). Owner George Leshchuk applied a pragmatic approach to steering his store through the tough stretch. "We had to work a little harder, sure, but as fine art is a discretionary expense, we focused more on our framing business," he says. "Even during a recession, people still have birthdays,

anniversaries, retire, and get married, so there are still gifts to buy. People just spend less, so we reacted to that fact."

Away from the main drag of Commercial Street, it appears even the specialist stores on the fringes of the downtown core have also managed to hold their own during the downturn. Standing alone in what could be perceived as a disadvantageous location, toy store Kool and Child (208 Wallace Street) saw no sign of a recession in their takings. "We actually saw increases in sales!" says owner, Carolyn Kool.

A short stroll south from Kool's store is the historic Old City Quarter, a destination shopping area where Nanaimo's oldest children's boutique, Pumpkin Pie (411A Fitzwilliam Street), can be found. Manager Diana McCann's main problem

through the crisis was not her level of business, but how to maintain stock levels. "Yes, we had to make a few changes," she says. "Our suppliers don't keep as much stock on hand, so if we sell more than we have pre-booked, it can take several months before we get back to a healthy inventory."

Proof positive that the recession did not deter new businesses setting up downtown is the Old City Quarter's latest bookstore, Back Page Books (5-321 Wesley Street), open since December 1, 2009. Just 28- and 20-years old respectively, owners' Richard Simpson and Ashley Grose are born and raised Nanaimoites who leapt at the opportunity to launch a business here. The domestic economic situation did not enter the equation and it's so far, so good for the young entrepreneurs. "We have regulars coming in every week who are already loyal to the store," says Simpson. "We didn't know what to expect, but it's been a rewarding and humbling experience realizing we are becoming part of our own local culture!"

Greg Badger also opened his store during the recession. Selling high-end consignment clothing, footwear, and accessories, Funk Your Fashion (83 Commercial Street) has been doing well. Like Lebitschnig, Badger recognizes a key reason for the durability of his store is that he can offer quality used products at agreeable price points. "My market is people not paying full retail, so a business like mine might prosper a little more when customers are cost conscious."

The downturn seemingly withstood, Badger and others are increasingly exploiting the benefits of social media to keep trade bubbling and their clientele informed. He and Leshchuk particularly extol the virtues of Facebook in this regard, while the latter is also creating a new website. Traditional advertising methods still have their part to play for our featured retailers, but the reality check of an economic downturn has thickly underlined the need to use every available tool to compete for business in a city with such considerable shopping options.

So, downtown Nanaimo is still holding its own. With the massive redevelopment of Port Place Mall and construction of residential complexes underway, there is optimism within its proud retail community that things will only get better. And as Lebitschnig states, downtown remains a unique destination with much to offer: "I hope that more and more people will come here on a regular basis to discover the great assortment of specialty independent shops, experience the level of service, and enjoy the atmosphere of the downtown area. It's got everything, really." ■