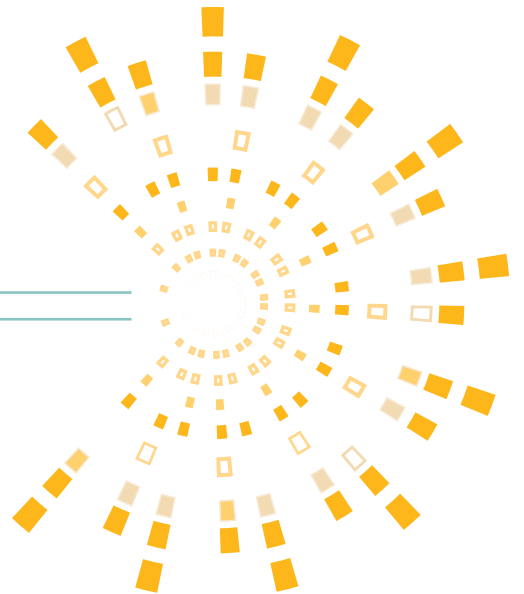


E-VOLVING Opportunities for Small Business

DIGITAL MAIN STREET PROGRESS REPORT — FALL 2022

DIGITAL
MAIN ST.™





DIGITAL MAIN ST.™ E-volving Opportunities for Small Business

“Small businesses are the heart of our neighbourhoods and the economic foundation of our communities. Digital Main Street programs have proven to be extremely successful in helping our local businesses expand their digital offerings, allowing them to broaden their client base and pivot to a stronger online presence.”

Vicki Lass, Director of Economic Development, Huron County

The pandemic lingered much longer than we had hoped and challenged businesses to find a new way of doing business. Adoption of digital technologies and tools was accelerated. The Digital Main Street program provided the means and opportunity for many brick-and-mortar small businesses to invest in their digital infrastructure and e-commerce strategies, better positioning them for a post-pandemic marketplace.

There is clearly proven value of Digital Main Street (DMS) in helping businesses digitally transform. As small businesses represent 98% of Canadian businesses, the history of investment, both federally and provincially, is as important in the past as it will be in the future.

This comprehensive program provides integrated solutions through: Digital Transformation Grants (DTG) of \$2,500 to brick-and-mortar small businesses; Digital Service Squad (DSS) Grants to municipalities, BIAs, Chambers of Commerce, Boards of Trade, and Small Business Enterprise Centres; and, education through online training modules, webinars and in-person workshops.

GAINING CONFIDENCE



While the Ontario Chamber of Commerce's 2022 *Ontario Economic Report* notes "the business community gained significant confidence in Ontario's economic outlook amid progress on vaccinations, reopening, and initial signs of economic recovery," small businesses are still largely focused on and affected by labour shortages, supply chain disruption, inflation and pandemic debt. Despite this, businesses have a reason to be optimistic about the future: "... experts continue to foresee an overall upward trend for online retail, both in sales volumes and total market share. According to a new Insider Intelligence analysis, Canadian e-commerce sales in 2022 are predicted to increase 11 percent over last year to an estimated \$96 billion."¹ For Ontario brick-and-mortar small businesses, digital transformation remains the key priority, and with the help of the DMS program, this is more achievable than ever.

¹ CanadianSME. *The Growth of eCommerce Across Canada: Here's All You Need to Know in 2022*. Canadian SME Business Magazine, May 2022

"Small businesses are at the heart of communities across the province. Our government is proud to support them through programs like Digital Main Street that provide business owners with the tools they need to strengthen their online presence. Together, we're building Ontario and ensuring businesses continue to grow and thrive."

Vic Fedeli, Minister of Economic Development, Job Creation and Trade

"This program prepares you and assists you with everything you need to know from starting a business to being a successful entrepreneur. Any kind of information you need to know is in this program. The videos are short and straight to the point with resourceful information. I am grateful being part of this beautiful community. Thank you DMS for all your support."

Cristina Lobato, Owner and DTG recipient, RenewSelf MedSpa, Oakville, ON

Beyond Main Street



As the only membership-based organization representing the 315+ unique and vibrant BIAs across Ontario for the past 20+ years, the Ontario BIA Association (OBIAA) has developed a trusted relationship with BIAs, municipalities, Chambers of Commerce, Small Business Enterprise Centres, and Ontario ministries that has enabled it to work with the Toronto Association of BIAs (TABIA) and the Government of Ontario to deliver the Digital Main Street program.

Since 2018, a period that includes the transformative pandemic years, OBIAA has successfully administered the DMS Ontario Grants Program (OGP), which includes the Digital Service Squad Grant, the Digital Transformation Grant, and both online webinars and in-person workshops for brick-and-mortar small businesses across the province. Now, expanded beyond the ‘main street’ small business focus of the original program, the OGP has become an immensely valuable resource in helping over 27,000 individual businesses raise their digital profile.

“The Digital Main Street Ontario Grants Program is a vitally important and immensely valuable resource for small businesses. It is very clear that businesses who took advantage of the DMS program over the past four years are now positioned for a brighter, more optimistic and sustainable future. We look forward to equipping even more small businesses with the knowledge, resources, and training to revitalize their operations with an expanded digital presence.”

*Kay Matthews, Executive Director,
Ontario BIA Association*

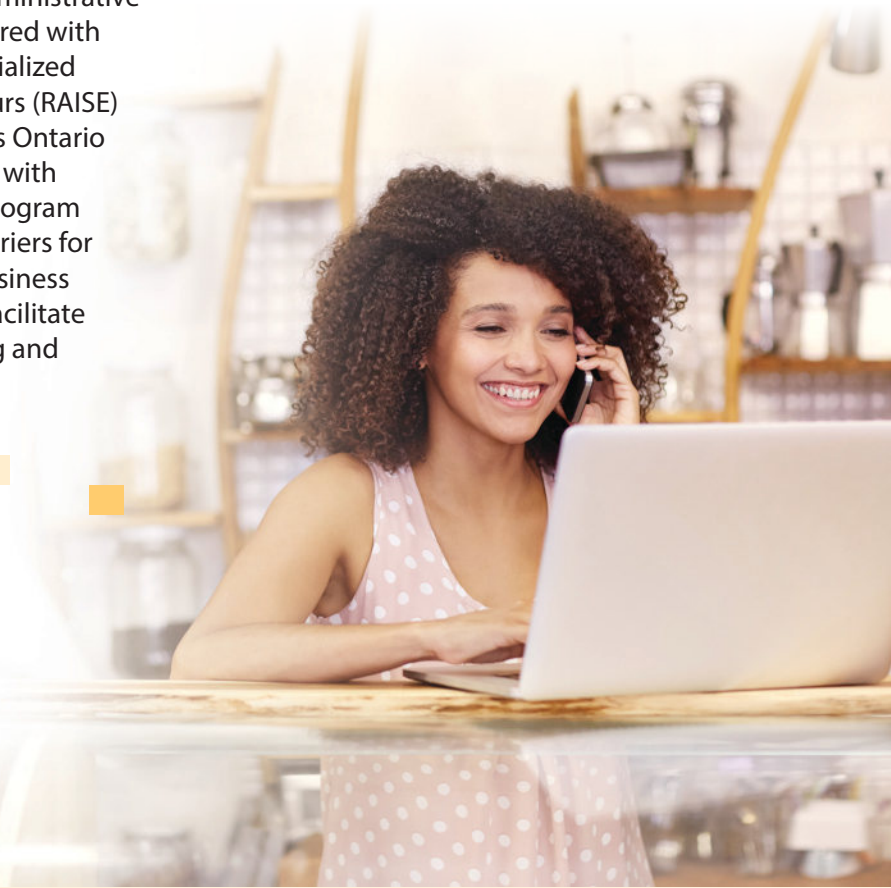
Highlighted for its efficient program administration, the recent Auditor General of Ontario's report, *Value-for-Money Audit: COVID-19 Economic Response*, noted that the DMS OGP's "existing systems and processes contributed to ease of delivery during the pandemic. We found that the delivery of the Digital Main Street – Digital Transformation Grants benefited from well-established systems and processes."² Furthermore, "recognizing these benefits, the Ontario Internal Audit Division suggested... that, where possible, consideration be given to leverage existing structures to deliver and administer future programs and/or disburse funds."³

Buoyed by the positive feedback of its administrative responsibilities, OBIAA once again partnered with the province and TABIA to deliver the Racialized and Indigenous Supports for Entrepreneurs (RAISE) service and program that launched across Ontario in March 2022. Delivered in collaboration with the Parkdale Centre for Innovation, the program is designed to help remove economic barriers for Indigenous, Black and other racialized business owners by providing a \$10,000 grant to facilitate innovation and growth, as well as training and coaching to achieve sustainable goals.

Recognizing the importance of the DMS program in reaching and supporting new businesses and new markets, the Government of Ontario has followed through on their 2021 Fall Economic Statement commitment to invest an additional \$40 million over the next two years. This renewed support is expected to help 36,000 small businesses embrace technology, work more efficiently, expand their market, and generate new revenue streams that will sustain them into the future. Applications for the Digital Service Squad Grant opened in April 2022 and for the Digital Transformation Grant in June 2022.

² Office of the Auditor General of Ontario, *Value for Money Audit: COVID-19 Economic Response and Support for Business*, December 2021

³ Office of the Auditor General of Ontario, *Value for Money Audit*



"I would recommend the DMS project for any new entrepreneur who is unfamiliar with the digital landscape. The financial assistance provided was crucial for us at this point in our company's development and has helped to ensure that we are well-positioned to continue to grow the business."

Christopher Jones, Owner, Cannabis Xpress, North York, ON



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A Significant Resource for Small Businesses

Founded by TABIA and the City of Toronto in 2016, and expanded province-wide in 2018, DMS continues to be a significant resource for small businesses across Ontario as they realize the need to digitally transform their business and create alternate revenue streams in order to survive in today's competitive marketplace.

"Small businesses supported by Digital Main Street programs have access to the support, knowledge and skills they need to succeed in the digital economy. DMS continues to be recognized by its corporate and government partners for playing an essential role in supporting small businesses and, through these partnerships, has equipped businesses with more resources to thrive. As DMS continues to grow and expand, we look forward to providing this essential digital support to even more small businesses across the province and the country."

John Kiru, Executive Director of Toronto Association of BIAs

“Being able to have the grant to promote my business has allowed me to actually have a footprint from one coast to the other, which is really exciting for a small business to have that much presence and that much success in a year.”

Peggy McDonald, Owner, Good Food Garden, Vankleek Hill, ON.

In 2020, building on the successful launch of the ShopHERE powered by Google program, DMS – in partnership with the Federal Economic Development Agency for Southern Ontario (FedDev Ontario), the Ministry of Economic Development, Job Creation and Trade (MEDJCT), Invest Ottawa, Communitech and NORCAT – announced the expansion of the ShopHERE program across Ontario and launched the Future Proof Program. ShopHERE is designed to help businesses grow by adopting e-commerce and launching an online store. The Future Proof program was developed to assist businesses with identifying new markets, pivoting their business model, and designing and implementing a deep digital transformation plan.

Now, as DMS continues to expand its Pan Canada reach and delivery, it does so with direct support from the City of Toronto, the Federal Government of Canada and additional support from a group of strategic partners including Google, MasterCard, Shopify, Microsoft, Facebook, Intuit QuickBooks, Square and Lightspeed.

The province’s \$40 million DMS investment included re-funding the popular ShopHERE powered By Google program. The program provides businesses with hands-on assistance in setting up and launching their online store, working directly with an e-commerce coordinator to guide them through the process.

With its versatile platform, DMS has been able to extend its service and support to other programs. In Ontario, DMS has been able to build on the continued success of the Ontario Grants Program and expand its partnership with OBIAA and the province to deliver the RAISE service and program.

Nationally, the Government of Canada has partnered with DMS and its ShopHERE powered by Google program to bring the Canadian Digital Adoption Program’s (CDAP) Grow Your Business Online grant to small businesses throughout Ontario, as well as nationwide through additional programming and regional partnerships. No longer focused solely on Ontario’s small businesses, DMS’s reach and contribution now extends from coast to coast to coast including: British Columbia, Alberta, Saskatchewan, Yukon, Northwest Territories, and Atlantic Canada.





Community Resilience

Keeping the lights on has been top of mind for small business owners and governments alike. As the economy turns the corner into 2023, cities, towns and villages across the province are looking for ways to support their small businesses knowing they are a source of local jobs, a catalyst to economic growth, and the key to revitalizing the heart of their communities.

Since 2018, the DMS program has proven its ability to impact every type of community in the province. A total of **226** municipalities have had Digital Service Squad (DSS) support which translates to **323** individual DSS grants being awarded to **65** BIAs, **38** Small Business Enterprise Centres, **30** municipalities and **10** Chambers of Commerce/Boards of Trade.



DIGITAL SERVICE SQUAD GRANTS

MUNICIPALITIES SERVED:

226

BUSINESSES SERVED:

45,700

TOTAL VALUE OF GRANTS:

\$17,814,000

JOBS CREATED:

580

(2018-2021)

PAVING THE WAY

As the program expands to reach more brick-and-mortar small businesses in different communities, particularly those in northern and rural Ontario, local DSS members are continually being equipped with the knowledge, resources and training to help these businesses revitalize their operations with an enhanced digital presence and to use digital technologies more effectively.

Communities thrive when small businesses succeed, and DMS is there to help pave the way. Not only do they help to form and shape the identity of a community, small businesses are also innovative and diverse; they generate revenue that contributes to the local economy and the more sales they produce, the more labour they need to stay productive. Technology, specifically online shopping, adds another layer of flexibility for community members, giving them multiple ways to engage with and support local businesses.



“This Digital Main Street program has become an invaluable resource that has helped many local businesses in our community elevate their digital skills and strategy.”

Stephannie Schlichter, Director of
Economic and Creative Development,
City of Barrie, ON

“We are thrilled with the return of Digital Main Street and to partner with municipalities throughout Bruce County to once again offer this program through a regional effort. Businesses that participate will receive excellent support and guidance for their digital marketing and online presence from our Squad team.”

Lauren Eby, Business Development
Coordinator, Township of Huron-Kinloss

“DMS has made a real impact on our local business community. This round of DMS will help to further elevate the work that has already been done, as well as assist others that have not yet taken advantage of this opportunity. A vibrant business sector is essential to a strong community, and because of this grant we will be able to provide our businesses with the opportunity to take advantage of trained specialists who can teach them how to use new technologies and provide tools and training in order to stay competitive in today’s digital world.”

Heather Watterworth, President, Minto
Chamber of Commerce

Open for Business

As we gradually emerge from the pandemic crisis, small businesses are now facing a new reality: below normal sales, COVID-related debt, rising costs on almost every business-related expense, and a labour shortage.⁴ Job creation is always a key initiative for any government investment.

The DMS program has proven to be an effective means of:

- 1 Keeping brick-and-mortar small businesses healthy and growing, thereby protecting jobs and promoting job growth;
- 2 Creating new work opportunities for students and recent graduates (partnering with local colleges and universities) to deliver DSS services; and
- 3 Continuing to support local economic development by providing financial resources for businesses to hire local digital vendors.

Given this focus, DMS can proudly claim to have been the source of over 580 Digital Service Squad (DSS) jobs over the past four years. With labour shortages expected to continue over the next year, the DMS program provides a fulfilling opportunity for qualified DSS candidates who are eager to be trained to deliver personalized, one-on-one assistance to local small businesses, particularly in the more rural and northern regions of the province.

⁴ Mario Tonneguzzi, "Canadian Small Business Owners Continue To Struggle With Sales," YouTube Video, September 21, 2022, RetailInsider.com, <https://youtu.be/W3-eBdlt4lo>



"The Digital Service Squad were helpful in the initial stages of completing, submitting and reviewing funding application submission. The process was very much user-friendly and when required, staff were available to provide in an expeditious manner a response to my inquiries. I also appreciated the regular communications respecting confirmation of funding, update on reporting requirements and information on other tools available to assist our business."

Tony Romano, Owner, Venture Sourcing Group Inc., Mississauga, ON



JOBS GENERATED BY DSS

TOTAL # **580**
(2018-2021)

LOCAL HELPING LOCAL

Without a doubt, the retail sector was one of the hardest hit during the global pandemic. Many Canadian businesses were quick to realize that the forced lockdowns could and should be used as an opportunity to digitally transform their operations to retain and attract customers, and to grow market share – and we have the grants to prove it! The more than 10,000 Digital Transformation Grants issued to date to small business owners across all sectors in the province attest to the overwhelming effectiveness of the DMS program. Furthermore, Digital Transformation Plans increasingly included hiring plans for digital-savvy roles such as digital marketers, social media marketers, website developers and designers, and e-commerce consultants as part of their Digital Transformation Grant budget. This proved to be an added benefit of the program: local businesses reaching out to other local businesses to help execute their plan, which multiplies the grant investment in the local economy.

A recent report, *Striving to Be Smarter: The Evolution of Intelligent Retail in Canada*, by The Information and Communications Technology Council, noted that:

Although the retail sector was experiencing a noticeable shift toward digitalization before the pandemic, COVID-19 galvanized Canadian retailers into adopting more digital tools. The movement of retailers adapting to a digital mindset is largely due to the mobile-driven changes in consumers' attitudes and behaviours, and retailers having to build new capabilities to avoid losing market share.⁵

As more and more small businesses begin and/or continue to build their digital strategies by prioritizing technologies that will sustain them post-pandemic, so too will the need to hire the specialized talent equipped with the skills and experience required to deliver these digital solutions.

⁵ Herron, C. and Toor, M., *Striving to Be Smarter: The Evolution of Intelligent Retail in Canada*. Information and Communications Technology Council (ICTC), August 2022. Ottawa, Canada.

“The Digital Main Street Grant was very helpful as we position our business to come out of the COVID pandemic. It has helped us create a more interactive and up-to-date website which allows for ordering takeout, online reservations and booking from group functions. We also now have the ability to post upcoming events we are hosting at the business.”

Matt Rolleman, Owner, Local 13, Cambridge, ON

“The Digital Main Street Grant has given us the opportunity to strengthen our online presence, increase our understanding of digital marketing, determine exactly what we need to do to be successful and implement it! It has given us a chance to train and empower our team, which is vital to our survival after a few difficult years of lengthen closures for our brick and mortar operations. We are so grateful for this program.”

Courtney McCarthy, Owner, Loyobo Fit, Guelph, ON

The Omnichannel Opportunity

OMNICHANNEL: An extension of multi-channel, in which customers, in addition to having multiple channels to purchase the product, have a seamless shopping experience. Customers can purchase wherever they are. Rather than functioning as “independent silos” in the multi-channel approach, omnichannel allows switching between channels during the shopping experience.⁶

Unquestionably, the pandemic forced businesses, large and small, to find new ways of doing business or face going out of business. The DMS program helped to provide the means for brick-and-mortar small businesses in Ontario to move their operations online, contributing to an impressive overall national result:

From February 2020 to May 2021 retail e-commerce sales in Canada increased by over \$2 billion, reaching an all-time high of more than \$4.1 billion – an increase of 127 percent relative to May 2019.⁷



Impelled by the need to reach customers virtually during the pandemic, businesses accelerated their shift to digital channels in almost all sectors. Whether transactional, educational, or personal, most activities now have a digital or online equivalent: meal and grocery delivery, online classes, customer service ‘live chat’, virtual yoga, to name a few. What began as a necessity to maintain operations and sales has now become an opportunity for businesses to advance digital transformation even further to provide a seamless customer experience between online and in-store... an omnichannel experience.

“Digital Main Street gave me the push needed to complete a project I had been avoiding, but knew was needed. I'm thankful for the assistance I received from the Digital Service Squad, and the grant program offered.”

Karen Hammond, Owner, Doerkson Country Store, Port Rowan, ON

⁶ Herron, C. and Toor, M., *Striving to Be Smarter: The Evolution of Intelligent Retail in Canada*

⁷ Munro, D. and Lamb, C., *The pandemic forced Canadian business out of a tech lethargy. What happens next? Policy Options*, April 4, 2022

It is no surprise then, that there are currently over 27 million e-commerce users in Canada, accounting for 75 percent of the Canadian population, and this number is expected to grow to 77.6 percent by 2025. Increased online shoppers means that retail e-commerce sales in Canada will continue to climb.⁸ What is surprising though, is the number of businesses that claim they are not ready, remain reluctant and/or don't believe their customers want to buy via additional channels:

- Only slightly over half (**60%**) of companies have a website⁹
- **31%** of retailers say that not knowing enough about technology options/ platforms keeps them from selling goods through newer online or social channels¹⁰
- **46%** of retailers say delivering consistent shopping experiences across online and in-store channels is a challenge¹¹
- **35%** believe their customers wouldn't be interested in purchasing on newer online or social channels¹²

The time to invest in digital transformation was yesterday, and yet, according to a recent Business Development Bank of Canada (BDC) study:

- Only one in twenty business uses digital technologies effectively
- Many Canadian businesses are slow to digitize despite the proven benefits
- Majority women-owned businesses are more likely to show a digital delay¹³

RELUCTANCE IS REAL... BUT SO IS OPPORTUNITY.



"We were in the Dark Ages when it came to Digital and when COVID hit the money stopped coming in so we could NOT improve. Now with the help of DMS we are all set for online and it has taken our business to a whole NEW level."

Stephanie Stock, Owner,
Kidtastic Adventures, Brantford, ON

⁸ International Trade Administration, *Canada – Country Commercial Guide*, Department of Commerce, August 3, 2022, USA

⁹ Business Development Bank of Canada, *Seize the Technological Advantage – Why Digitally Mature Companies Perform Better*, BDC Study, May 2022

¹⁰ Wakefield Research, *Future of Retail: 2022 Edition Trend Report*, Square, October 2021

¹¹ Wakefield Research, *Future of Retail: 2022 Edition Trend Report*

¹² Wakefield Research, *Future of Retail: 2022 Edition Trend Report*

¹³ Business Development Bank of Canada, *Seize the Technological Advantage – Why Digitally Mature Companies Perform Better*

TAKING THE DIGITAL LEAP

Clearly, there are still plenty of opportunities for the DMS program to continue helping small businesses to grow, innovate and optimize! The digital landscape is constantly changing and the need to stay vigilant and be aware of the latest trends and advancements is more important than ever. For many brick-and-mortar small businesses, DMS is the key to not only getting them started on their digital transformation journey, but also to ensuring they can continue to develop and thrive.

A recent report from Adyen, a global, all-in-one retail payment solution for merchants, highlighted some key findings:

- **61%** of consumers globally feel that if retailers can sell across multiple channels during the pandemic, they should continue to adopt the same flexible approach as a baseline
- **50%** of Canadian customers said physical stores should focus on the experience beyond the product, since they can get the products easily online
- **64%** of Canadian customers believe retailers need to use technology to make their loyalty programs easier and more effective
- **36%** of Canadian customers prefer retailers who use previous shopping behaviour to serve personalized suggestions and create a more tailored shopping experience¹⁴

What does this all mean for local brick-and-mortar small businesses?

For those businesses that have embraced digital transformation, they have learned that e-commerce can complement and enhance in-person sales. For others still waiting to take that digital leap, now is the time to review their businesses overall infrastructure, their customers, and their marketing strategy to identify where there are gaps. **The DTG provides the means for these businesses to implement the technologies that will enable them to connect with their customers through multiple touchpoints: online, email, social media channels, mobile, and in-store.** While service ubiquity is the omnichannel goal, small businesses must decide where to best focus their (limited) resources without sacrificing customer experience and growth.



“Before DMS we were treating both businesses as separate from each other. The Digital Main Street program was instrumental in allowing our business to integrate our e-commerce business with and [sic] brick-and-mortar operations seamlessly. We now have the ability to [control] inventory, [implement] marketing and sales across all channels, creating a truly omnichannel experience for our customers. We couldn’t have done it without support from the DMS program.”

Jacquie Maybee, Owner, Rocia Naturals, Brighton, ON

¹⁴ Opinium Research L.L.P., *The Adyen Retail Report 2022*, Adyen, February 2022

Small businesses made up 98.1% of all employer businesses in Canada in 2021.²³

TOTAL GOVERNMENT INVESTMENT IN THE ONTARIO GRANTS PROGRAM

\$74,116,500
(2018 - 2024)



DIGITAL TRANSFORMATION GRANTS

TOTAL # OF GRANTS AWARDED:

9,955

TOTAL \$ VALUE OF GRANTS:

\$24,872,000

SOCIO DEMOGRAPHICS

| | | |
|--------------------------|-----|--|
| WOMEN-LED BUSINESSES | 54% | |
| YOUTH (UNDER 39) | 14% | |
| RACIALIZED GROUPS | 11% | |
| NEWCOMERS | 10% | |
| BLACK COMMUNITY | 6% | |
| LGBTQ++ | 6% | |
| PEOPLE WITH DISABILITIES | 3% | |
| INDIGENOUS PEOPLE | 2% | |



DIGITAL SERVICE SQUAD GRANTS

TOTAL \$ VALUE OF GRANTS:

\$17,814,000

MUNICIPALITIES
SERVED:

226

BUSINESSES
SERVED:

45,700

JOBS
CREATED:

580

(2018-2021)

TRAINING

BUSINESSES COMPLETED DMS ONLINE TRAINING: **18,290**

BUSINESSES ATTENDED IN-PERSON WORKSHOPS: **1,525**

BUSINESSES ATTENDED IN-HOUSE WEBINARS: **13,915**

²³ Statistics Canada. Table 33-10-0395-01: Canadian Business Counts, with employees, June 2021 [Data table].



It's All About the Experience

After having successfully invested their DTG funds in their online infrastructure and e-commerce platform, brick-and-mortar small businesses across the province are now looking for new ways to continue their digital evolution to give them a competitive edge in this post-pandemic environment. While Canadian e-commerce sales doubled since 2019, growth is starting to level out.¹⁵ What had previously appeared to be a channel mix in favour of e-commerce has now reverted back to a pre-COVID growth rate. People missed the in-store experience during COVID, and now “41 percent of consumers globally say they have a new appreciation for being able to touch, feel or physically try products before they buy.”¹⁶

In the JLL's *Retail Outlook Report Fall 2022*, it notes that: *After receding in the first half of the year, e-commerce started to show signs of resuming its steady growth. With people shopping in stores again, retail spending will no longer disproportionately favour e-commerce, which is trending back to a more normalized growth curve. Mastercard's August sales data showed that e-commerce was up 4 percent year-over-year and in-store up 8 percent. Both e-commerce and in-store sales remain up from pre-pandemic levels.*¹⁷

As Canadian shoppers head back to the stores, they do so with the expectation “that retailers will offer tools that connect digital and physical shopping experiences.”¹⁸ In short, physical stores must offer customers something they cannot get online i.e., something unique and memorable. Some retailers are making use of Augmented Reality/Virtual Reality or extended-reality technologies to give their customers the “try before you buy” experience, while others are experimenting with Live Shopping, an innovative technology that combines social media streaming and e-commerce.

¹⁵ Phase 5, *Canadian Online Shopper Study*, Canada Post, May 2022 - <https://www.canadapost-postescanada.ca/cpc/en/business/marketing/campaign/ecommerce-infographic.page>

¹⁶ Opinium Research L.L.P, *The Adyen Retail Report 2022*

¹⁷ Jones, Lang, LaSalle, *Retail Outlook Fall 2022*, JLL, October 2022

¹⁸ Herron, C. and Toor, M., *Striving to Be Smarter: The Evolution of Intelligent Retail in Canada*.



While consumer behaviour and expectations will continue to evolve with changes in technology, it cannot be overstated that it is essential for small businesses to not only have a functional and strategic e-commerce platform in place, but to also have the efficient back-office administration systems that are a fundamental element of continued success and sustainability.

“The digital transformation for us was one which enabled us to keep ahead of the curve. Our website saw a 900% increase in sales throughout the pandemic, and my main concern was how to manage that while still focusing on using our advantage to accelerate once COVID was behind us. The Livestream will enable us to appeal to a new demographic who purchase while being entertained. I expect that this will create long term customers who develop a “relationship” with our stream and the people who appear on it.”

Richard Ottenhof, Owner, North Roast Coffee, Kingston, ON

“Retail is no longer a question of online or offline, it is a holistic approach for businesses to meet their customers wherever they are and to communicate with those customers precisely how they want to be spoken to. These changes, in particular with the rapid expansion of social selling, are dramatically shifting how retailers merchandise products and generate content. By fine-tuning their message on all social channels available, retailers have a unique opportunity to meet millions of potential new customers and reach existing customers to help drive additional sales.”

Brandon Levy, General Manager of Inventory, Fulfillment and Merchandising, Square

Successfully Delivering the Digital Main Street Program

Digital Main Street is an active and progressive program focused on helping small businesses adopt digital tools and technologies and embrace digital marketing. The program is based on three important components: knowledge transfer, resources, and support.

KNOWLEDGE TRANSFER

Digital Assessment

This is a benchmarking tool that provides business owners with insight into their businesses' current digital footprint. It takes them through a series of questions to determine where they are on the digital transformation spectrum, resulting in a checklist of action items that they can use to improve and enhance their digital profile.



TAKING DIGITAL ASSESSMENTS

TOTAL # OF SMALL BUSINESSES:

45,000
(since 2018)

Online Training and the Digital Transformation Plan

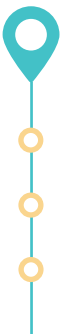
The next stage is online training. These required modules are designed to ensure business owners are better equipped to spend the \$2,500 grant in ways that will increase their digital efficiency. This multi-module digital training has been updated over the years to streamline the content and focus on what really matters in today's climate. Each module targets a different hot topics such as building a brand, copywriting, creating content that sells, a beginner's guide to marketing, getting started with e-commerce, etc.

ACCESSING DIGITAL TRAINING

SMALL BUSINESSES: TOTAL # HOURS ONLINE

18,290 \approx 76,839

The final part of the program is often done with the guidance of a local Digital Service Squad member. It takes the business through the steps needed to develop a Digital Transformation Plan (DTP). The DTP is a road map for the business to determine how they plan to spend the \$2,500 grant, and then how to ensure success through a goal-oriented action plan and measurable milestones.



“The information was actually helpful to me and not skimming the surface just to get me to buy something at the end; I loved the presenter’s style, energy, and deep knowledge; the information given took me on the journey from beginning to end, so it makes sense as a whole, and I feel I could actually do this!.”

Writing Killer Web Content Webinar participant

“I learned tools I could take home and implement immediately.”

Crafting Social Media Content Workshop participant, Collingwood, ON

In-Person Workshops / Webinar Training Program

OBIAA has continued to partner with a training provider to deliver hands-on, specific training to small businesses through webinars, and after a two-year absence, through in-person workshops being held in communities across the province. These Digital Main Street training sessions deliver current content to help entrepreneurs and owners learn about website development, social media, e-commerce, online advertising and digital marketing, and other digital topics.



IN-PERSON WORKSHOPS

TOTAL # OF PARTICIPANTS

1,525



WEBINAR TRAINING PROGRAM

TOTAL # OF PARTICIPANTS

13,915

“It was fun and interactive and at the same time very informative. Well worth the three hours. Presenter was excellent.”

Grow Your Brand on Instagram Workshop participant, Norfolk County, ON

“It broadened my ideas about what a business should be posting on social media to engage customers and an audience – and on what platform.”

Crafting Content for Social Media Workshop participant, Parry Sound, ON

Successfully Delivering the Digital Main Street Program

RESOURCES

Digital Transformation Grant

Since 2018, the DMS Digital Transformation Grant program has successfully distributed almost 10,000 - \$2,500 grants to support digital expansion through the purchase and adoption of digital tools and technologies. To qualify, each business must undertake a digital assessment, pass the pre-qualification quiz, complete online training, and submit a Digital Transformation Plan.

With this new provincial investment, 8,000 DTGs are available to qualifying businesses for the two-year period of April 1, 2022 to March 31, 2024

To date, businesses receiving grants have applied the funds to a variety of uses, including optimizing websites for search, setting up e-commerce, back-office solutions, social media advertising and creating customer databases. The figure below illustrates the various areas where businesses have focused their efforts.

Digital Vendor Directory

The DMS design considered how small businesses could best access local digital vendors for required consulting and services. The DMS Vendor Directory housed at digitalmainstreet.ca has more than 2,000 **registered** digital vendors in 184 communities across Ontario. Vendors in the directory offer a range of capabilities including digital marketing, e-commerce, digital connectivity, cloud computing, and search engine optimization.

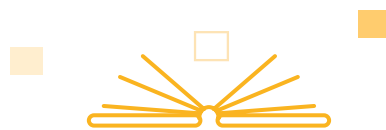
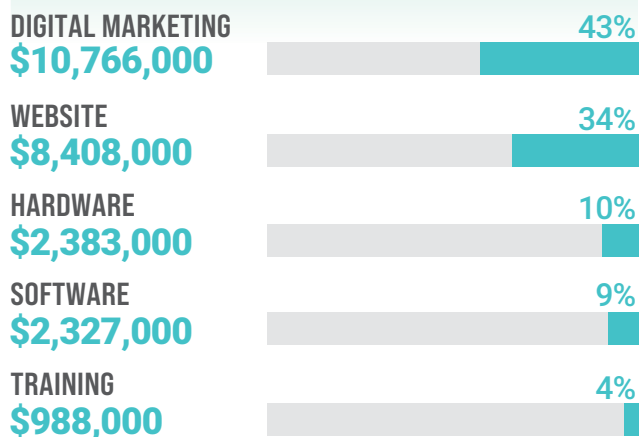


DIGITAL TRANSFORMATION GRANTS

TOTAL \$ ISSUED:

\$24,872,000

USE OF FUNDS



DIGITAL VENDORS

TOTAL # REGISTERED:

2,000

“The Digital Service Squad was able to help me create a professional looking website for my business. They answered my many questions about website design as I had no experience with how to do this. Through their guidance, I am now able to make changes to my website and understand how it works. Thank you to the Digital Services Squad for all the time they spent helping me make this happen.”

Crystal Harvey-Robertson, Owner, Juniper Artisan Collective, Cambridge, ON

SUPPORT

Digital Service Squads

At the heart of the program’s design is the Digital Service Squad. Digital Service Squads are teams of digital technology specialists who deliver one-on-one assistance, at no cost, to brick-and-mortar small businesses. BIAs, municipalities, Chambers of Commerce, Boards of Trade, and Small Enterprise Business Centres can apply for a grant to fund a local Digital Service Squad within their city/municipality based on the number of businesses projected to be served over the next two years. Due to an overwhelming response since April 2022 however, the DSS Grant funds have been fully exhausted and the application portal is now closed.

Currently, there are 69 DSS across Ontario with squad members working with brick-and-mortar small businesses to help them complete an online assessment and introduce them to online training modules designed to build their knowledge and skills. As of 2021, active squads have been complemented with a Virtual DSS team to support those businesses in the rural/remote areas of the province and all other Ontario communities not already being serviced by a local DSS. This DSS one-on-one assistance includes support for basic website set-up, Google Business Profiles, 360° photos, digital storefront set-up with e-commerce, creation or enhancement of social media presence, and much more.



DSS GRANTS AWARDED

TOTAL # ISSUED:

323 to 143 Organizations



65 to BIAs



38 to SBECs



30 to MUNICIPALITIES



**10 to CHAMBERS OF COMMERCE/
BOARDS OF TRADE**

TOTAL INVESTMENT:

\$17,814,000
(2018-2024)

“The Digital Main Street grant afforded us the ability to create a short video to be used for promotion of the restaurant, but also highlight the skills and passion of our wonderful staff. Without the grant, we wouldn't be able to create such a beautiful product. Many thanks.”

Terrence Meltz, Owner, Olivea, Kingston, ON

Recover Reset Renew

Consumer shopping, selling and payment habits experienced significant changes over the past couple of years, and those businesses that were able to adapt to these changes have come out on top. While resilience, adaptability and sustainability continue to be the focus for brick-and-mortar small businesses, there is also opportunity. For those small businesses that still lack a digital transformation strategy, now is the time to act. ***“Seven in 10 Canadians say they prefer making online purchases from Canadian retailers when they have a choice. That’s up from 68 percent in 2020 and from 64 percent in 2019.”¹⁹***

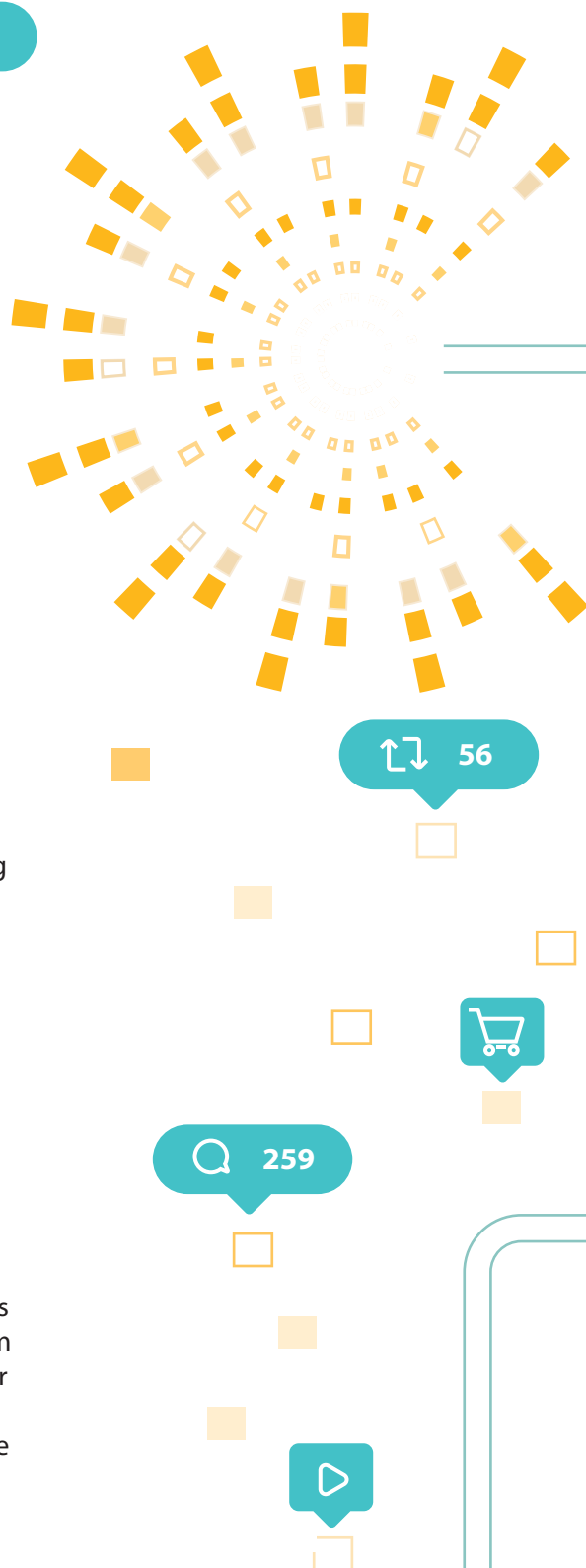
The return to pre-pandemic levels of sales and services will be a gradual process with some sectors rebounding faster than others: real estate firm CBRE says Canadian hotels will return to pre-pandemic revenues next year, two years ahead of its previous forecast,²⁰ while restaurant closures have outpaced openings by 43 percent over the last year.²¹ Further hindering small business recovery is their COVID-related debt, a shortage of labour, and rising costs due to inflation.

Still, there is reason for optimism: consumer footfall is returning to downtown cores, and along with it, retail sales are on the rise. New retailers are setting up shop as traffic slowly builds to pre-pandemic levels. And, as the holiday season is fast approaching, small businesses continue to invest in e-commerce which will allow them to reach a broader audience and expand their customer base. The general public, it seems, is ready to start enjoying the shopping experience once again. So, while in-store shopping continues to rebound, e-commerce also continues to gain traction, highlighting the need for omnichannel solutions.

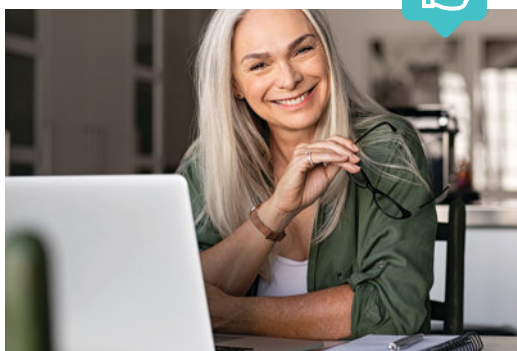
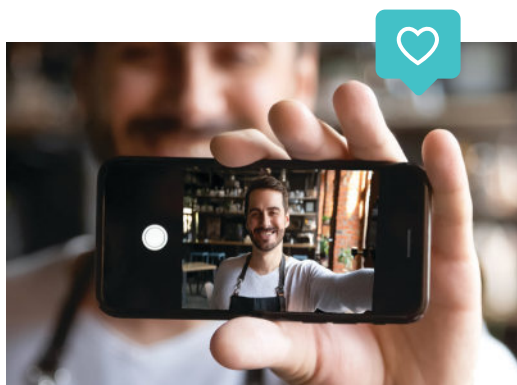
¹⁹ The Strategic Counsel, *Canada’s Internet Factbook 2021*, CIRA, March 2021

²⁰ The Canadian Press, “Hotels to rebound to pre-pandemic revenues in 2023, two years ahead of forecast: CBRE,” *Financial Post*, September 16, 2022

²¹ Sylvain Charlebois, “Restaurants in Canada: The Bleeding Continues [Op-Ed]”, *The Retail Insider*, September 21, 2022



*For many retailers, COVID-19 was a decisive event that pushed them to invest even further in digital infrastructure and strategies to retain and attract customers and market share. Digitization and intelligent retail must remain top priorities for organizations in the volatile new climate.*²²



As businesses move to recovery, they must reset their objectives and renew their efforts to grow and revitalize their business. To date, the DMS Digital Transformation Grant program has successfully provided more than \$24,872,000 to qualified Ontario small businesses to support their digital expansion... and it's not stopping there. **Fueled by a \$40 million renewed investment from the Government of Ontario, the program is expected to help raise the digital profile of 32,000 brick-and-mortar small businesses over the next two years.** And with talks of an economic downturn on the horizon, it will be those small businesses who have invested in digital transformation that will be better able to withstand the recessionary consequences and be better positioned for long-term growth.

E-VOLVING

What does this all mean? The wisdom of ongoing investment in Digital Main Street as a proven effective program that consistently delivers positive results for small businesses is obvious. The residual effect of the past four years will be a catalyst for sustainable growth in small businesses, now in the face of tough economic times and in the more optimistic future.

²² Herron, C. and Toor, M., *Striving to Be Smarter: The Evolution of Intelligent Retail in Canada*

"You have to do so much learning before you even get to apply for the grant. That helped us to really define a plan . . . I think every business owner, even if they don't need the grant, should still apply for it because you're going to learn something more about your business."

Patricia Sheppard, Owner, Small Hooves, Big Hearts, Kawartha Lakes, ON.

“It’s a privilege to once again be able to offer these resources to the local business community. Investing in digital isn’t a one-time thing – it’s about continuing to invest in streamlining your processes, reaching new markets, and creating a better customer experience. Having this program available for two years will help us work with businesses more long-term for a stronger future.”

Stuart Harrison, President and CEO, Peterborough and the Kawarthas Chamber of Commerce

DIGITAL
MAIN ST.™

