

# CicLAvia boosted sales for businesses along route, research shows

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Scene from L.A.'s car-free event on June 23, 2013. UCLA researchers studied the economic impact CicLAvia had on local businesses.

Businesses along the June 2013 CicLAvia route experienced a 10 percent bump in sales on the day of the event, a [new study](#) from the UCLA Luskin School of Public Affairs has found.

The increase was greater among those businesses that engaged with

CicLAvia participants by hosting street fairs on their sidewalks or playing music as people passed by. These "active participant" businesses saw their sales increase 57 percent, or \$1,356 per establishment, according to the study. The average increase across all businesses was \$407.

With the eighth iteration of Los Angeles' day of car-free streets approaching on Sunday, Oct. 6, the data gives [business](#) owners, residents and CicLAvia participants tips on how to make the most of the citywide street festival.

Approximately 150,000 people on foot, bikes and skates experienced iconic Wilshire Boulevard between downtown and the Miracle Mile as part of the CicLAvia event on June 23. Researchers at UCLA Luskin's Complete Streets Initiative and the Luskin Center for Innovation surveyed a representative sample of brick-and-mortar businesses along the route, comparing sales revenue and foot traffic on CicLAvia Sunday and a Sunday earlier that month.

The researchers found that revenues increased by an average of \$407 per business—\$3,122 in sales on CicLAvia Sunday, compared with \$2,715 on a typical Sunday. When extrapolated along the entire route, this translates into a total sales-revenue increase of \$52,444 across the 128 establishments that were open during CicLAvia on Sundays in June.

"These numbers demonstrate positive gains for local businesses, but they underestimate the event's overall economic impact," said J.R. DeShazo, director of the UCLA Luskin Center for Innovation and principal investigator on the study.

The reasons for the undercount include:

### **Food trucks and other informal vendors**

The estimated increase in revenue only accounts for street-level brick-and-mortar businesses along the route that are normally open on Sundays between 9 a.m. and 4 p.m. Excluded are more than 30 food trucks and other vendors that operated in designated spots along the route that day. The researchers sampled data from 14 food trucks at CicLAvia and found that the temporary vendors averaged \$1,693 in sales, for a total of \$50,790 in revenue. Several managers reported that their food trucks would not have been operating—and thus not providing tax revenues to the city—on this Sunday if CicLAvia had not happened.

### **Businesses not usually open**

The average sales increase of 10 percent does not include sales revenues for the five or more local businesses that opened specifically for CicLAvia on Sunday, when they would normally have been closed.

### **Consumers shifting shopping patterns**

While some businesses performed very well, those that fared less well were generally loyalty businesses, such as dry cleaners and hair salons. For these businesses, customers likely shifted their business to another day of the week. The study did not account for shifting of business to another day.

In interviews with the researchers, business owners reported enthusiasm for the new business the event brought them.

"After 12 p.m., we had over 50 percent more people in here [than a typical Sunday]," said one Wilshire business owner. "We had first-time customers saying, 'I'm going to come back later.'"

"The results tell us that local business seeking to maximize profits during CicLAvia should consider CicLAvia engagement strategies such as expanding the business closer to the street with a booth, music or CicLAvia-specific signage," said Colleen Callahan, deputy director of

the Luskin Center.

To conduct the study, researchers contacted a random sample of 128 brick-and-mortar establishments and 30 food trucks that participated in CicLAvia. Approximately 50 percent (14) of the food truck operators and a third (41) of the brick-and-mortar businesses decided to take part, providing their revenue data for both a Sunday before and the Sunday of CicLAvia.

To overcome any possible selection bias, researchers also conducted head counts (as a proxy for customer business) for 33 establishments for which [sales](#) data were not available, as well as for a control group of businesses. This allowed them to control for overall effects not related to CicLAvia.

While the small survey size prevents extrapolation to other open-street events, additional studies could determine whether the effect is similar regardless of the particular neighborhood or event. Future studies could also seek to expand the sample size by including surrounding businesses, to examine how far the "CicLAvia effect" may exist.

The research project managers were Madeline Brozen, who manages the Complete Streets Initiative, and Benton Heimsath, a UCLA Luskin graduate student in urban planning and a fellow of the Los Angeles Sustainability Collaborative.

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For more on CicLAvia, visit [www.ciclavia.org](http://www.ciclavia.org).

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