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Small Business Profitability Strategies During Retail Gentrification

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This is to certify that the doctoral study by

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MS, Troy University, 2012

BS, Alabama State University, 2010

Doctoral Study Submitted in Partial Fulfillment

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Abstract

Small business owners can suffer fluctuations in profitability during the entrance of big box stores within their neighborhood that grab market share with more recognizable brands and change the retail environment. A multiple case study was completed to explore the strategies small business owners use to stay profitable during retail gentrification, looking specifically at the neighborhoods of Adams Morgan and Congress Heights in Washington, DC. Porter's five forces and the resource-based view served as the conceptual framework for the study. Seven small business owners with over 80 years of experience in their locations provided input through semistructured interviews and identified effects of gentrification on their neighborhoods and strategies they used to combat retail gentrification. The thematic approach to data analysis was used to organically code the data based upon reoccurring themes. As a result, 5 strategies were identified within the data: pricing, advertising, customer acquisition, shopkeeper mentality, and neighborhood engagement. The results of this study might provide small business owners with a toolkit of strategies to assist in staying profitable during a time of change. The implications for social change include the potential for maintaining small business profitability during gentrification, encouraging entrepreneurship, employing local residents, and retaining the authentic culture of the neighborhood.

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Dedication

I am dedicating this study to my entire support system who has helped me throughout this journey. Specifically, to my mother, father, and brother – thank you for your encouragement, patience, and support. I could not have done it without you.

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I would like to thank my Chair, Dr. Cheryl McMahan, for supporting me and pushing me throughout this study. Her responsiveness and happy demeanor continually allowed me to feel that I could complete this journey. Dr. Denise Handy, my Second Chair Member, was amazing throughout the process continuously turning moving this document forward and preparing me for the next step.

To my committee, I am forever grateful.

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Section 1: Foundation of the Study

Gentrification, also termed economic revitalization, creative city planning, and saving neighborhoods (Burnett, 2014; Rankin & McLean, 2014), is marketed as a positive effect to disadvantaged neighborhoods. However, the negative effects of gentrification are visible in multiple cities across the world including those in the United States, Canada, South Korea, Australia, and the United Kingdom. Retail gentrification, the entry of big box stores in a previously distressed area, can take the customer base away from local small business owners, making their businesses unprofitable and forcing them to close down (Ficano, 2013). The purpose of this qualitative multiple case study is to explore the strategies small business owners use to sustain profits during retail gentrification.

Background of the Problem

As big box stores enter communities, small business displacement can occur due to the owner's inability to compete effectively for market share (Jeong, Heo, & Jung, 2015). This displacement, known as retail gentrification, can lead to the shuttering of long-standing businesses by encroaching on the customer base (Shepard, 2013). As gentrification occurs, the neighborhood loses authenticity and customers, and many times residents in the neighborhood are displaced (Gonzalez & Waley, 2013). Gentrification can also cause a loss in revenue, thus impacting a small business's ability to maintain profits.

Focusing on viable sustainable solutions for small businesses is necessary for owners to equip themselves to stay profitable during times of gentrification (Shepard, 2013). Between 2013 and 2014, 39% of new positions added to the U.S. economy were by firms that employed between 1-49 people (SBA, 2015), demonstrating there is a need for small businesses to stay gainful. Profitability strategies may allow small businesses to continue to support the residents of these gentrifying neighborhoods with local retail goods, empower other small business owners, employ local workers, and retain the authenticity of the neighborhood.

Problem Statement

Attempting to renew economically forgotten neighborhoods, retail gentrification, or the mass introduction of chain stores in a concentrated area, displaces local businesses that have sustained the surrounding neighborhood and the residents for many years (Ernst & Doucet, 2014). Within 15 months of a big box store entry into a market, between four and 14 small businesses close due to their inability to compete (Ficano, 2013). The general business problem is that without sustainability strategies, small businesses will fail when chain stores move into their neighborhood. The specific business problem is that some small business owners lack strategies to sustain profits during retail gentrification.

Purpose Statement

The purpose of this qualitative multiple case study was to explore strategies small business owners have used to sustain profits during retail gentrification. The targeted population was seven small business owners currently going through a period of gentrification in two Washington, DC neighborhoods, Congress Heights and Adams Morgan. The business owners were profitable in their current store within the neighborhoods for at least 3 years. Small business owners may use the findings of this study to develop sustainable profitability strategies during retail gentrification, which in turn may promote a stable local economic climate, ensure the continued employment of local residents, and maintain the neighborhood authenticity.

Nature of the Study

There are three research methods: qualitative, quantitative, and mixed (Fassinger & Morrow, 2013). I used the qualitative method to explore the strategies small business owners used to sustain profits during gentrification. A researcher uses the qualitative method to understand a phenomenon through participant dialogue and the identification of patterns and themes in the evidence (Houghton, Casey, Shaw & Murphy, 2014; Lewis, 2015). Quantitative researchers seek to answer the research question through a survey or numerically-based instruments, using statistical data to test hypotheses (Thamhain, 2014). I did not use the quantitative method for this study because I did not intend to measure variables and my data included words, themes, and observations. Researchers use the mixed method to gather both quantitative and qualitative data to extend the study by examining and exploring the results while also creating context, or stories, around the information gathered (Frels & Onwuegbuzie, 2013). I did not conduct the mixed method approach given the length of the data capture process and the time constraints necessary to evaluate the data. Using interviews and company document review, I focused on strategies small business owners employed to sustain profits during gentrification. The qualitative method allowed me to explore small business owner strategies because I was able to interact with the subjects and understand their strategies and experiences in an in-depth manner and within a natural setting.

In the qualitative method, there are five designs: (a) case study, (b) phenomenology, (c) grounded theory, (d) ethnography, and (e) narrative (Petty, Thompson, & Stew, 2012). Researchers use the qualitative case study design to explore contemporary events, gather evidence from multiple sources, and ask the *what*, *how,* and *why* questions that provide additional context regarding the phenomenon (Houghton, 2013). I selected the qualitative multiple case study design to explore the strategies small business owners used to sustain profits during gentrification. Researchers engage in the phenomenological design to understand each participant's view of an event or experience, and employ grounded theory designs to create new theory through data analysis (Petty et al., 2012). I did not explore singular experiences of an event or try to create new theory through fieldwork; therefore, I did not select phenomenological or grounded theory designs. Ethnographers investigate the experiences of groups of people, while researchers using a narrative design seek to understand an individual or group of individuals' experiences through stories (Petty et al., 2012). I did not use ethnography or narrative design because I was not seeking to study a culture and did not seek to obtain and explore participants' stories. Therefore, case study design was most appropriate for my study.

Research Question

The overarching question for this study was: What strategies do small business owners use to sustain profits during retail gentrification?

Interview Questions

1. How have the changing effects of the neighborhood due to gentrification affected your business operations?
2. What differentiates your business from the incoming businesses within your retail sector?
3. How has retail gentrification affected your business' customer base?
4. What strategies do you use to sustain profits during retail gentrification?
5. What barriers have you encountered when trying to implement those strategies to sustain business profits?
6. What additional information would you like to provide related to strategies you use to sustain profits during retail gentrification?

Conceptual Framework

Resource-based theory is the cornerstone of a strategic management plan that exploits a firm's internal resources to gain sustained competitive advantage in the industry (Barney, 1991). In 1959, British economist Penrose (1959) expanded upon the definition of the term *firm* to include internal resources that could assist the organization to move forward strategically. Andrews expounded upon Penrose's view in 1971, creating the resource-based theory, which emphasized the strategic use of a firm's resources to gain a competitive advantage (Barney, 1991). Two assumptions underpin resource-based theory: the first is that the firm's resources are diverse in comparison to other competing organizations, and the second is those resources are valuable, rare, inimitable, and nonsubstitutable (VRIN) to create mobility barriers for competitors and competitive markets for new entrants (Peteraf, 1993). If the firm's strategy includes VRIN resources, the organization can achieve a competitive or sustained competitive advantage due to competitors' inability to duplicate the firm's resources (Barney, 1991). Thus, the resource-based theory could assist small business owners in learning and implementing strategies to sustain profitability during gentrification.

In 1980, Michael Porter created the five forces framework, which identified five external forces that can threaten an organization's competitive stance in the market (Porter, 1980). The forces – threat of new entrants, bargaining power of buyers, rivalry among competitors, threat of substitute products, and bargaining power of suppliers – counterbalance resource-based theory by providing an informative market scan coupled with an internal review of assets that may determine an organization's strategic niche. Porter identified a market as *favorable* if the five forces produced a profitable return for firms, whereas an *unfavorable* market occurred if the forces drove profit margins down (Porter, 1980). Porter suggested that an organization's strategy is only as successful as its relativity to the environment; therefore, the five forces framework may provide company leaders with strategic positioning to compete effectively in the industry (Dobbs, 2014). Porter's five forces and the resource-based theory provided me a means for understanding how small business owners completed strategic assessments of organizations and evaluated both the internal and external forces for sustaining profitability.

Operational Definitions

Big box stores: Large retail chains that dominate a market due to the store's large size, vast product offering, and distribution channels (Armstrong, 2012).

Displacement: A process that actively moves people from one location to another. This process negatively impacts those affected as they can no longer afford to rent in the area and move under duress (Jeong, Heo, & Jung, 2015).

Gentrifiers: A group of individuals that have moved into a recently gentrified neighborhood and take advantage of the new provided amenities. This group is usually comprised of young, middle to upper-income, educated individuals (Smith, 1979).

Retail gentrification: The entrance of big box stores in a previously distressed area intended to increase revenue and improve the surrounding community (Ficano, 2013). This act can also effectively close a number of local small businesses as the larger stores capture market share.

Small business: Stores that are independently owned, not chain-based, and service local neighborhood residents with goods and services (Ernst & Doucet, 2014); these stores are also known as “mom and pop” shops.

Assumptions, Limitations, and Delimitations

Assumptions

Assumptions are ideas, constructs, or notions the researcher may take for granted as statements of fact (Jannson, 2013). Therefore, researchers must be aware of their assumptions concerning the participants and the study. I assumed local small business owners in the two Washington, D.C., neighborhoods would be willing to participate in the study, and were able to identify the process or act of gentrification. Another assumption was that there were enough business owners impacted by gentrification to reach data saturation and answer the central research question. I also assumed small business owners were willing to discuss profitability strategies that kept them competitive within their neighborhood, and would provide me with unbiased and truthful responses. Lastly, I assumed the participant group would represent the lived experiences of other business owners experiencing gentrification within their individual neighborhoods.

Limitations

Limitations mark potential weaknesses that could constrain the study (Denscombe, 2013) but are outside the control of the researcher. A crucial limitation in this study was the limited sample of business owners who agreed to participate in the study given my use of convenience sampling. Another limitation was that gentrification within the designated area may have not reached a level in which it affected the small business owners participating in the study. The last limitation would be if one of the business owners I interviewed had a strategically positioned business and had created a niche in the market, thus not feeling the effects of gentrification.

Delimitations

Denscombe (2013) defined delimitations as the bounds, or restrictions, of the study that focus the scope of the project. I geographically delimited this study to include two gentrifying neighborhoods in the Washington, D.C., area, Adams-Morgan and Congress Heights. In addition, small business owners who participated in the study had to be profitable within the last 3 years, had to be able to identify gentrification practices, and had to have a strategic understanding of how gentrification may influence business profitability.

Significance of the Study

The study's findings are significant because small business owners can use them to identify strategies to stay profitable during retail gentrification. In 2015, Washington, D.C., housed over 68,000 small businesses, employing over 230,000 individuals (SBA, 2016), demonstrating the effects small businesses have on local economies. Owners of small businesses should use the strategies from this study to help sustain and increase profitability of their businesses while also assisting the local neighborhood through employing local residents, retaining neighborhood authenticity, and providing residents with local goods. As D.C.'s many neighborhoods gentrify or re-gentrify (e.g., the neighborhood of Adams-Morgan is experiencing a second gentrification within 60 years), small business owners should use the strategies to sustain profits when chain stores move into their neighborhood.

The implications for positive social change from this study include keeping small business owners profitable during gentrification, encouraging entrepreneurship, employing local residents, and retaining the authentic culture of the neighborhood. Retail and neighborhood gentrification can influence the landscape in a city area (Kern, 2013), changing the current culture and taking away the long-standing authenticity of the area (Jeong, Heo, & Jung, 2015). Many times, gentrification may make those who have sustained the neighborhood, residents and business owners alike, obsolete. Profitability strategies for small business owners could help retain local characteristics and cultures, and catalyze consumers to spend discretionary funds at authentic small businesses.

A Review of the Professional and Academic Literature

The purpose of this qualitative multiple case study was to explore the strategies local small business owners used to sustain profits during retail gentrification. The problem statement served as the foundation for the structure of the study, and thus the literature review is structured to follow the development of the problem statement. I begin the literature review with the topic of gentrification—the phenomenon in which the study cases are enmeshed—and then focus on the subject matter, the small business owners and their influence within the neighborhood. I also review literature related to the five forces framework and the resource-based theory, the conceptual frameworks I used to address small business owner strategies and explore implementable strategies business owners could use to stay profitable during a time of gentrification.

I identified sources for this literature review using multiple search engines both through Walden University's online library and through Google Scholar. The databases I used through Walden University were SocINDEX, Lexis Nexis, EBSCOhost, Procurement, ProQuest, and Business Source Complete. Article searches resulted in 67 citations, of which 57 (85%) were peer-reviewed and published within the last 5 years. Search terms I used included *gentrification, indirect displacement, retail, small business, neighborhood change, strategy*, and *public policy.* I used the ProQuest database the most, and the search term of *gentrification* yielded the largest number of results.

Gentrification

Gentrification, first termed in 1964 by British sociologist Ruth Glass (Lloyd, 2015), is the act of renovation and revitalization of an area with higher income individuals replacing lower income individuals who currently reside in the area (Weinstein, 2015). Neil Smith (1979) defined gentrification as an urban strategy, placing more emphasis on the accumulation of wealth and the changing of social preferences as opposed to the inclusion and advancement of residents. Weinstein (2015) and Zukin (2009) explained gentrification as a social and economic shift in a neighborhood that generally brings in younger, professional, middle- and high-income white individuals, and displaces low-income minority groups from their homes and businesses. Although gentrification can bring positive benefits to the neighborhood by providing better goods and services than previously offered (Ernest & Doucet, 2014) and by instituting community development (McLean, Rankin & Kamizaki, 2015), gentrification also changes the dynamic of the neighborhood. The shift can be seen between current residents, current business owners, incoming residents and businesses, and the local economy (Jeong, Heo, & Jung, 2015), primarily through displacement practices.

Gentrification is a three-step process of disinvestment, displacement, and rebranding of a selected area (Gonzalez & Waley, 2013). Disinvestment occurs as local city and state government funding allocations go to other areas of the city, due to the stigma of the current neighborhood as a lost cause. Ernest and Doucet (2014) believed that political actors used this tactic to induce a breakdown in the neighborhood, leaving the residents and businesses to their own devices. Michener (2013) described the effect of disinvestment as the “broken windows theory” in which the neighborhood began to break down because of the reduction in resources and a downward spiral of dilapidation and disparity may occur. The continual loss of investment may occur as residents do not have the resources to rehabilitate the neighborhood. Norris and Hearne (2016) stated one way to slow disinvestment within a neighborhood is through the mobilization of city actors and resident groups who refuse to let the neighborhood fail.

Marcuse (1985) determined displacement occurred in four ways: direct last-resident displacement, direct chain displacement, exclusionary displacement, and displacement pressure. Direct last-resident displacement takes place when current tenant relocation occurs within an occupied space due to the building owners efforts to increase the rent for incoming tenants to increase their profits. Direct chain displacement, the second manner of displacement, is the continuing efforts to revitalize an area, taking into account the many previous displaced tenants, not just the last to occupy the space. Exclusionary displacement occurs when homes that are vacant due to previous displacement are no longer available to tenants of low income due to the building owner's desire to refurbish the home for a higher price, thus excluding tenants of a certain financial background from living there. The fourth type of displacement is displacement pressure, which occurs as the surrounding neighborhood changes no longer reflect the needs of current tenants (Butler, Hamnett, & Ramsden, 2013; Komakech & Jackson, 2016; Marcuse, 1985; Twigge-Molecey, 2014, Valli, 2016; Zukin, 2009). Although displacement pressure is not a form of physical displacement, tenants begin to feel they no longer belong in the area and may begin to leave voluntarily as they know the new entrants, new businesses, and rising costs will eventually push them out.

After disinvestment and displacement, rebranding of the area occurs. Developers pay great attention to distinguishing the newly erected area from the one previously housed there to attract new residents and consumers into the area. Jeong et al. (2015), Smith (1979), and Zukin (2009) found consumers search for *authenticity* within an area, unique places unknown by others. The rebranding of an area occurs in direct opposition to those who are already living and purchasing in the area (Parzer & Huber, 2014), as their *authentic* neighborhood may not fit the need of the new entrants, or gentrifiers, in the new neighborhood.

Prior to gentrification occurring, low-income areas are characterized as dirty, decrepit, unfavorable, or undesirable neighborhoods, sometimes even labeled as dead zones (Gonzalez & Waley, 2013). These identified areas begin to produce low rents and other unique attributes exploitable by developers (Rankin & McLean, 2014; Gonzalez & Waley, 2013), making the change of the local environment more acceptable and embraced. Gentrification may then become the preferred solution to cleaning up other areas of the city, usually to the detriment of those inhabiting the space (Marcuse, 1985; Parzer & Huber, 2014; Smith, 1979; Zukin, 2009). The application of gentrification traces back as far as the early 19th century.

History of gentrification in the United States. After the Panic of 1893, an economic depression in the United States prompted by a customer-driven bank run that resulted in bank illiquidity (Greve, Kim, & Te, 2016), businesses began to move to farther from the city to take advantage of low rents and additional space necessary for production (Smith, 1979). As these firms moved to the suburbs, subsequently so did employees, sub-contracting manufacturers, and other businesses that supported these industries, leaving the inner city in a period of disinvestment and deterioration (Smith, 1979). As inner city property depreciated, low-income individuals began to move in and created businesses that serviced other low-income residents in the neighborhood, despite the lack of city funded resources (Smith, 1979).

A large effort in the 1950s and 1960s occurred to bring middle-income households back to the inner city through government incentives, intentionally selecting which neighborhoods would be gentrified (Pearsall, 2013). Building owners received subsidies through local government grant funds to clean up their buildings to attract middle-income tenants back into the city (Lloyd, 2015). Because of the influx of middle-income entry, low-income tenants were forced out and eventually local government imposed eminent domain of remaining properties (Lloyd, 2015). The 1970s brought an increase of available properties as more and more building owners made space to accommodate middle and high-income families moving back into the city. A relaxed government approach towards gentrification in the 1980s created an increased presence of urban politics and local resistance groups opposing the takeover of neighborhoods (Pearsall, 2013). The 1990s highlighted a large public-private relationship between local government and private developers to revitalize neighborhoods, during this time many opposition groups disbanded (Lloyd, 2015; Pearsall, 2013).

Gentrification tactics. Gentrification results from the implementation of multiple strategies to displace current tenants to make room for higher-paying tenants. Redlining, a racist lending practice that excluded minorities from purchasing buildings, and negligence, a displacement method used to remove current tenants, are tactics that assist in the promotion of gentrified neighborhoods. Lloyd (2015) expressed that tactics such as redlining and negligence are preemptive strikes against existing inhabitants and that gentrification does not naturally occur within neighborhoods.

Redlining. Representative of the name, redlining occurred when lenders denied lines of credit solely based on neighborhood location, identified by red lines on a map, assuming individuals within that neighborhood would not be able to make loan payments (Weinstein, 2015). Redlining created difficulties for residents to purchase homes within redline identified neighborhoods and for business owners to purchase buildings or expand operations, which allowed for disinvestment-by-design within neighborhoods (Anguelovski, 2015). In 1968, the Federal Government passed the Fair Housing Act (FHA) banning the unethical practice of redlining, as it singled out neighborhoods with a large majority of people of color and permitted discrimination in loan decisions. However, the government loosely policed the FHA, and redlining continued to disenfranchise neighborhoods of color. In 1977, the Community Reinvestment Act (CRA) regulated fair lending practices by banking institutions to eliminate discriminatory practices through the creation of performance metrics upon which the CRA would evaluate banks when future mergers or acquisitions arose (Fitzgerald & Vitello, 2014). Both the FHA and CRA attempted to bring diverse residential and business investments back into previously redlined neighborhoods.

Negligence. In 1979, Neil Smith (1979) coined the term *rent gap theory* and hypothesized that if there were a difference between the current cost and potential best cost of a site, a price gap would occur. The price gap would indicate to site owners a potential for an increase in rents, as the price of the land was worth more than the property sitting on top. During a time of gentrification, the exploitation of the price gap would leave tenants susceptible to higher rent costs or potential negligent strategies employed by the building owner to force current tenants out. Even though the property owners may not incur the potential best cost immediately, the owner would begin to transition the site based on the environment of the neighborhood and the potential for profits (Gonzalez & Waley, 2013; Liu & Liu, 2013). One method of negligence is the under-maintenance of buildings (Ernst & Doucet, 2014; Smith, 1979; Weinstein, 2015) to encourage tenants to not renew their lease or leave the premises altogether. The building owner would then renovate the building to meet market demand, advertise to gentrifiers, and charge a higher price to the new tenants (Liu & Liu, 2013; Weinstein, 2015). Although the immediate effects to the current displaced tenants are financial and are seemingly a last-resident form of displacement, exclusionary displacement is also at work in negligence (Marcuse, 1985). As gentrification occurs and the neighborhood begins to change, the pre-gentrification tenants are no longer able to afford to live in the area, thus feeling excluded, and displacement pressure occurs as they feel slowly pushed out of the neighborhood.

Gentrification as a proposed solution. As gentrification occurs, investment begins to flow into the neighborhood creating the financial ability to properly maintain areas, promote neighborhood goods and services to consumers outside of the local area, and revitalize the area (Logan, 2013). The economic benefits of gentrification can seem to be a plausible solution to use in other areas of the city (Choi, 2016; Ferm, 2016), but the effects can be devastating to the residents already living within the gentrifying neighborhood (Lloyd, 2015; Zukin, 2009). As gentrification occurs, property values and taxes increase that force local residents out because they can no longer afford to live in the gentrified areas (Lloyd, 2015). As local residents began to leave, local businesses are affected (Komakech & Jackson, 2016) as the retail experience begins to shift to meet the needs of gentrifiers (Ernest & Doucet, 2013) as opposed to the low-income residents that inhabit the area (Doucet, 2014).

Gentrification as an urban policy. Gentrification, sponsored through urban and public policy, is termed as a revitalization of the city through economic development. Marcuse (1985) identified three assumptions towards gentrification in public policy: abandonment of a neighborhood will occur naturally, the overall economy will increase as a result of gentrification, and private investment will fund gentrification. Based on the assumption that the abandonment of a neighborhood will occur and thus gentrification is unavoidable; public policy only aims to remedy the situation through the diversion of funds from one neighborhood to another, essentially abandoning one to fund the other (Marcuse, 1985). The second assumption within public policy is gentrification in the abandoned area is economically beneficial because property values rise, higher income individuals frequent to purchase consumer goods or homes, and the overall health of the neighborhood improves. The last assumption of private development funding evolves into public-private partnerships between the government and private developers. As private developers spend non-state funds to revitalize neighborhoods, the local government benefits making gentrification appear to be a beneficial and a positive solution moving forward.

However, Zheng and Khan (2013) found public, not just private, investment within an area could also trigger gentrification. The publicly funded transformation could act as a beacon for developers and additional gentrification could occur. Gonzalez and Waley (2013) found as one area revitalizes, additional revitalization occurs in the surrounding neighborhoods creating a gentrification renewal pattern. Gentrification either as a continued proposed solution or through public and urban policy can largely affect the small businesses within a neighborhood, influencing the local economy through retail gentrification.

Retail Gentrification

Retail gentrification, also coined as industrial gentrification or economic restructuring, describes the process in which larger, more recognizable stores within a neighborhood replace local small businesses (Ferm, 2016). The practice of retail gentrification aims to entice the cultural and consumption practices of the socio-economic households individual developers would like to attract to the area, many times to the dismay of the current local small businesses (Kern, 2013). As stated previously, a main tenet in gentrification is disinvestment, which may force small firms to go out of business. A potential lack of replacement businesses to fill the previously vacated space can create even more disparate areas within a city, decreasing property values (Jeong et al., 2015).

As rent decreases, small business pioneers move into the area due to space availability and location, generally close to city center (Ernst & Doucet, 2014; Jeong et al., 2015). The new area is then known as an individualistic and unique environment

(McLean, Rankin, & Kamizaki, 2015; Yoon & Currid-Halkett, 2015). As the small businesses gain more notoriety and the customer base expands, big box stores begin to flood the area to capture market share (Jeong et al., 2015). As more and more corporate stores enter the area, small business pioneers are likely to shut down or leave, as they can no longer afford to pay the increased rents larger stores are able to pay (Zukin, 2009). Komakech and Jackson (2016) found gentrification could also make small business owners feel powerless and excluded from decisions concerning their neighborhood even when those decisions may have a direct effect on their profitability.

Big box stores, or category killers, emerged in large numbers during the 1990s, as the large stores provided multiple industry segments under one roof with lower prices than small business competitors (Armstrong, 2012). Big box stores, such as Wal-Mart, K-Mart, Target, and Best Buy, dominated small businesses by providing multiple types of good and services in one place and providing shopping convenience for customers. These stores, described by their physical size, captured 30% of the market within a 10-year frame (Armstrong, 2012), with the ability to effectively close between 4 and 14 local businesses within 15 months of entering a market (Ficano, 2013). Big box stores can control the market through economies of scale, large product offerings, and a product mix that appeals to customers of different income levels (Armstrong, 2012). In addition, customers naturally gravitate to recognizable stores, which can create social inequalities and uneven development between big box stores and local small businesses (Shepard, 2013) within a neighborhood.

Big box stores are also detrimental to small businesses as the stores' mere presence and brand recognition act as anchors to the shopping experience (Shanmugam, 2013) and can incentivize building owners to increase rent on surrounding tenants, while providing the space to big box stores at little to no rent. Even though the big box stores are not always required to pay rents, the surrounding businesses may incur large rent increases to offset the cost of the big box store for the building owner (Liu & Liu, 2013). This tactic of overnight rent increase is also used to force current tenants out of their space, making way for tenants who can afford to pay more (Liu & Liu, 2013). Building owners may use overnight rent increase tactics even when no new tenants have committed to filling the space (Liu & Liu, 2013; Smith, 1979).

Although retail gentrification may bring consumers back to a previously desolate area, it can also be a differentiator between residents, gentrifiers, and current local small businesses (Shkuda, 2013). Current residents of the neighborhood may no longer match the new gentrified area encouraging displacement pressure, resulting in a loss of older, local clientele (Jeong et al., 2015). The need for older clientele familiarity and comfortability within a neighborhood can be essential to a small business owner as there is no guarantee that gentrifiers will shop in the existing local small businesses.

The Influence of Small Business within a Neighborhood

Although neighborhood businesses operate to sell affordable goods and services, these same small businesses are also pillars of the community (Noda, 2015; Rankin & McLean, 2014) upholding strong social networks within the neighborhood (McLean et al., 2015; Shaw & Hagemans, 2015). Due to the disinvestment that occurs during gentrification within a neighborhood, areas of social gathering like community centers and civic clubs cannot afford to stay open, leaving a gap in the community in which small business owners fill (McLean et al., 2015). Small business owners assist in creating a sense of community for the neighborhood by supporting residents that frequent the establishment (Gonzalez & Waley, 2013) through the provision of a communal space. Small businesses can double as safe spaces such as afterschool programs for children, as meeting spaces for friends or organizations, and as lifelines for those who cannot travel (McLean et al., 2015; Shaw & Hagemans, 2015). Valli (2016) found place attachment, a sense of connectedness with the surrounding community, is essential to helping people feel engrained within the community. Social networking within a community is crucial as it creates a trusting environment in which people can feel attached to, proud of, and safe within the neighborhood (Casas, Duell, O'Malley, Documet, Garland, Albert, & Fabio, 2016). Komakech and Jackson (2016) found immigrants use small businesses as a social network to stay in touch with old friends, tell stories of their home countries, or carry out their cultural traditions, as well as, use the stores as a beacon for other immigrants to feel welcomed and to know where they have friends.

The displacement of small businesses either force owners to move to undesired locations farther away from their customer base, to create home based businesses, or to close their business altogether (Jeong et al., 2015). As displacement occurs, residents and consumers may begin to feel a loss of community, as small businesses are institutions within the neighborhood (Hyra, 2015). If small business owners are able to stay within their current space, local residents may still be reluctant to shop there as they may feel the surrounding neighborhood is changing rapidly and they are no longer welcome within the gentrified space (Choi, 2016; Ernst & Doucet, 2014; Jeong et al., 2015). The detachment of current residents to the gentrifying space is representative of displacement pressure, which can be just as detrimental as a physical displacement (Valli, 2016) as residents realize everything is changing and they too will become a part of the process. As residents of a neighborhood are also the customers of local small businesses, displacement has a real effect on small business owner's profitability.

Gentrifiers, those entering the neighborhoods as a result of gentrification, can adversely affect the solidified social networks previously formed, creating division between old and new tenants (Casas et al., 2016; Valli, 2016). Former customers may begin to feel resentment towards the neighborhood's changing retail sector (Hyra, 2015) and limit shopping, while the needs and tastes of the new customer base may not be met by small business owner's current product mix (Komakech & Jackson, 2016; Rankin & McLean, 2014). Gentrification of retail is a recognizable indicator (Hyra, 2015; Thompson, Bucerius, & Luguya, 2013) within a neighborhood and can accelerate displacement pressure (Shaw & Hagemans, 2015). Gentrification can also inflict social divisions between residents which can create strife for business owners (Ernst & Doucet, 2014) as small business owners do not have any knowledge if the new entrants will purchase at their business over more recognizable brands and do not know if old customers will stay in the neighborhood and continue purchasing. Displacement can greatly affect business profitability. Thus, the need for strategies for small business owners becomes imperative to staying profitable during a time of gentrification.

Five Forces Framework

In 1980, Michael Porter demonstrated how intense competition within industry could affect a firm's profitability (Dobbs, 2014; Porter, 1980). The five forces, a makeup of the threat of rivalry, the threat of substitute products, the threat of buyer power, the threat of supplier power, and the threat of new entrants can assist business owners in understanding how to address competitors through their own strategic stance. Owners must take into account all five forces when building their business strategy considering an offensive or defensive approach (Porter, 1980). Porter (1980) believed that through fair trade business profitability within an industry would eventually level out to create a return commensurate with a truly competitive marketplace. Firms that can assess and address the five forces to create a sustainable strategy can drive profitability; whereas, firms that cannot may succumb to a competitor takeover (Porter, 1980). The five forces framework provides a threat assessment of an industry, where the areas of highest concern for a firm become the foundation of a strategic plan to take a competitive stance in the market (Dobbs, 2014).

Threat of rivalry. The threat of rivalry is internal to the incumbents of the industry (Porter, 1980) with the price of products fluctuating based upon competitor aggressiveness, ultimately driving industry value (Grigore, 2014). The internal threat can change based on the number of incumbents within the industry, the overall growth of the industry, diversity of the incumbents, and other factors. Competition within the industry could result in product price cutting, increased advertising dollars to show product differentiation, product enhancements to increase existing product line, or in research and development to create new products (Dobbs, 2014; Porter, 1980). Rivalry amongst firms within upcoming gentrified areas is mild, as the local small businesses are aware of each other and have created symbiotic relationships to allow for sustainability. These relationships allow small organizations to drive business to one another using word of mouth advertising and collaborative marketing products, such as 'Small Business Saturdays' or 'Save the Neighborhood' campaigns (Burnett, 2014). Based on the smaller nature of the market, small businesses can use collective social capital and resources to create momentum around the products or services throughout the neighborhood (Campbell & Park, 2016).

Threat of substitutes. A substitute can be a product that mirrors competitors or a completely different product that provides the customer with a similar result (Porter, 1980). Substitute products can exist inside and outside of the industry and only must meet the end need of the customer. The threat of substitution can result in increased costs to the firm through the enhancement of product quality, performance, advertising, and/or product capabilities (Dobbs, 2014). The threat of substitute of products within upcoming gentrified areas is high, as many businesses are entering the area, primarily with more recognizable brand names. Big box stores entrance into the local market drastically increase the threat of substitutes as these stores provide product variation and diversification.

Buyer Power. Buyers within an industry have the ability to decrease purchase prices, increase consumer demand for better quality products, and increase competition among rivals (Dobbs, 2014). The threat of buyers within upcoming gentrified areas is high, as customers have a larger variety of stores since the area has been flooded with businesses. Buyer impact can result in prices decreasing, promotion and sales increasing, and firms diversifying. The threat of buyers can affect an entire industry (Porter, 1980) and bring with it drastic declines that small businesses may not be able to afford. For the small business owner, it is important to identify the power of buyers to determine breakeven profits and create desired profitability levels (Grigore, 2014) for their business. Through the identification of the ideal profitability of the firm, business owners can determine the number of buyers the firm needs and thus can diminish or increase buyer power sensitivity to the organization.

Supplier Power. Suppliers can fiscally threaten an organization through the increase of costs (Grigore, 2014) or the decrease of quality (Porter, 1980). Suppliers can produce an increase in material and production costs, a delay in production or delivery, and a decrease in quality (Dobbs, 2014). The threat of suppliers within upcoming gentrified areas is high as small business owners are vulnerable to suppliers and cannot move from supplier to supplier without affecting daily operations. Big box stores with recognizable brands can leverage suppliers, either through bargaining prices, substitute of products, and or delivery times (Armstrong, 2012), an option that small business owners may not have. The threat of suppliers can result in a loss of product, lack of product diversity and inconsistent delivery schedules, all which can be detrimental to profitability for a small business.

Threat of new entrants. As new entrants enter an industry, they must overcome barriers to entry. High barriers to entry may include large costs to compete effectively with the established organizations in the market, to meet already achieved economy of scales, to fund or exploit joint costs, or to afford switching costs (Porter, 1980). Low barriers to entry can produce a demand in product/service quality due to the influx of businesses, create a fragmented industry, or increase price cuts to gain or keep consumers (Dobbs, 2014). The threat of new entrants within upcoming gentrified areas is high as gentrification brings incoming stores and new types of clientele, which may slowly push small businesses out if they are not able to meet new product demand or meet new customer expectations. The barriers to entry for big box stores in a gentrified neighborhood are non-existent as barriers typically prevent entrants from entering the market due to high costs (Grigore, 2014), which large stores can afford. Big box stores can dominate the market through sheer square foot size, volume of product, and diversity of solutions to customer needs (Armstrong, 2012), easily annihilating barriers to entry.

Five forces framework applied to businesses in gentrified areas. Each of the five forces for small businesses in gentrified areas is mild to high, showing that small business owners need strategy to stay profitable. During gentrification, small businesses are not only competing with entering big box stores, but also with the existing businesses already established in the area. Gentrification becomes an extreme barrier for small businesses for future profitability and current survival (Armstrong, 2012). Although small businesses may have determined their strategy against current competitors prior to gentrification, the impact of new entrants may create a drastic change in how firms conduct business through the introduction of products, the expansion of existing product lines, and other promotions to stay profitable during turbulent times (Armstrong, 2012).

The business owner should identify strategic positioning through the five forces framework to take a competitive stance in the market, determine the rules of competition, and identify the market structure (Porter, 1980). The outward facing assessment is helpful to understand if the firm should embrace the market forces or create initiatives to defend against them (Porter, 1980). Porter (1980) identified that a strategy is only as good as the response to the organization's environment, as the strongest forces identify an organization's potential vulnerabilities and can define the organization's strategic stance (Dobbs, 2014).

Due to its external nature, Porter's five forces is a difficult model to implement exclusively as it only provides insight into how the organization can strategically position within the market to compete effectively (Dobbs, 2014), but does not determine an individual firm's profitability within the market. Therefore, firms should also utilize an internal facing approach to create more depth and insight into the current competitive advantages within the organization. An external and internal assessment can provide an organization with competitive advantages and market stance to compete effectively.

Resource-Based Theory

In 1959, economist Edith Penrose established that a viable strategy for business profitability included the exploitation of a firm's internal assets (Barney, 1991). Barney (1991), Campbell and Park (2016) and Peteraf (1993) identified that internal resources may include technical knowledge, organizational structure, management, processes, implementation of inputs, physical or human capital resources, intellectual capital, innovation, and cost efficiencies. Penrose also identified that not all resources were sources of competitive advantage but must be valuable, rare, imperfectly inimitable, and non-substitutable (VRIN; Barney, 1991; Peteraf, 1993), for an organization to create a competitive advantage to effectively compete or surpass others in the market. Valuable assets provide the organization with a cutting edge, while rare resources provide an organization with a strategy that creates value. An asset is imperfectly inimitable if competitors do not have the ability to obtain the resource, while non-substitutable assets cannot be directly competed against (Barney, 1991).

However, there is an implicit need in the resource-based theory for business owners to assess the strengths and weaknesses of the firm (Barney, 1991) to determine which internal resources create a competitive advantage. If any firm within the industry possesses the same resources and utilizes them in the same way, the resources do not comprise a competitive advantage. An advantage occurs when the resources create a strategy that adds value and is not duplicative within other organizations. Barney (1991) found valuable and rare resources created an opportunity for organizations to have a first mover advantage. The first mover advantage is first to market, generally with advanced products, a loyal customer base, and well-developed distribution channels, all potential competitive advantages for an organization.

To achieve a sustained competitive advantage, a firm must implement a value creating strategy that competitors have failed to duplicate (Barney, 1991; Peteraf, 1993). Organizations that can achieve sustained competitive advantage create a strategic position in the market where profitability is potentially maintainable (Barney, 1991). In addition, firms that utilize their resources in a sustained competitive stance could achieve rents, or profits, that do not introduce new competition (Peteraf, 1993), as competitors cannot afford to obtain or duplicate the resource. The use of a sustained competitive advantage for a small business owner can create a barrier to entry for others who wish to enter the market (Barney, 1991) assisting in the retention of small business profits.

Resource-based theory is critical for organizations to understand firm profitability extraneous of the industry (Peteraf, 1993). Although simple in nature, the theory assists managers in determining which resources are truly assets and how to support the competitive advantage (Peteraf, 1993). The identification and utilization of strategic assets can assist small business owners in not only retaining clients, but also attracting new customers during a time of gentrification.

Gandy (2015), however, found systems theory helpful to evaluate the strategies small business owners used to stay profitable. Ludwig Von Bertalanffy (1972) first identified systems theory and emphasized a system should be viewed collectively as opposed to just the individual parts. Through the identification of the sum of the parts, Gandy (2015) explored how small businesses were profitable by the end of year 5 after the opening of a business. Gandy believed the interaction between the storeowners and their local environment – possibly customers, neighboring businesses, and seasonal governing procedures – was representative of the systems theory as it analyzed how all the elements of a successful business work in tandem. Although this theory assists in understanding how the different components of a business interact to stay successful, it does not assist in determining the strategies a small business owner would use to drive customers and profit during a time of intense competition.

Armstong (2012) used the competitor analysis and interfirm rivalry theory to address small business owner strategies when competing against big box stores. A downfall of both theories is the assumption that all businesses within the same market are competitors of one another and all have the same resources, also known as *competitive asymmetry* (Armstrong, 2012; Chen, 1996). Although similar to RBV and Porter's five forces, the contrasting theories of competitor analysis and interfirm rivalry do not take into account the additional external factors the five forces framework provides, nor do the theories account for potential new entrants in the market, or the originating business' internal competitive advantages (Chen, 1996). Although competitor analysis and interfirm rivalry theory is helpful for understanding which opposing business the primary organization should take on to increase the customer base and profitability based on strategically eliminating the competition, it does not address how to identify internal strategies during a phenomenon.

Small business owners can use the five forces framework to look externally to determine their organization's stance in the marketplace through effective and strategic positioning. The resource-based theory can assist small business owners to identify and exploit internal assets to create competitive advantage in the marketplace. Together both frameworks provide a holistic view of the marketplace to create effective strategies for profitability during gentrification. Thus, resource-based theory and the five forces framework are complementary to one another (Dobbs, 2014), evaluating both the internal and external forces that affect small businesses.

Strategies for Small Businesses

As gentrification occurs, neighborhood disparity is identifiable through observable signs, particularly those with negative implications (McLean et al., 2015; Michener, 2013) such as broken windows, boarded up homes, and overgrown gardens. Burnett (2014) found an ill-maintained neighborhood would reflect signs of disinvestment and a lack of community engagement. As increased disinvestment occurs, the disparity of the neighborhood makes it ripe for gentrification and big box stores may enter the area to take over market share (Armstrong, 2012). Local small businesses that have supported the area may close or adapt to maintain a customer base during gentrification.

Small firms can exert little impact over the environment during a time of gentrification as opposed to the dominating effect big box stores can have on the market (Parnell, 2013). Strategy becomes imperative for small business owners to retain customers and stay profitable during these times. Parnell (2013) identified small business owners may not always operate from deliberate, or designed, plans, but may also use emergent strategy creation as well (Neugebauer, Figge, & Hahn, 2015). Deliberate strategies are meticulously constructed and long-term, whereas emergent strategies may occur as a result of constant day-to-day decision making. Although small business owners should have an overall deliberate strategy, Armstrong (2012) and Pollard and Morales (2015) found even when a formal strategy is constructed, business owners may revert to emergent strategy due to evolving market conditions and customer needs within the neighborhood. Even so, business owners should not let day-to-day decisions drive their overall strategy as it can lead to a decline in profitability (Porter, 1980), as no overall goal to move the organization forward is met.

Small business owners should construct a strategy and take into account external opportunities and threats and internal strategic advantages, through the five forces framework and resource-based theory, respectively. Parnell (2013) stated the selection and implementation of a small business strategy should rest upon the internal assets acquired and the execution of those resources. Consistent with the resource-based framework, valuable, rare, inimitable, and non-substitutable internal assets are the foundation to a competitive strategy (Lin & Wu, 2014) and small business owners must continually strengthen internal resources to achieve profitability. Small business owners can utilize multiple strategies, also known as an umbrella approach, to create a competitive advantage not imitable by competitors (Lin & Wu, 2014). Through the creation of strategic positioning that optimizes and exploits an individual firm's strategic advantage while taking into account market forces, a small business owner can create a sustained competitive advantage in the market and stay profitable during gentrification.

Small business owners can use multiple generic strategies with the assistance of internal competitive asset to sustain profitability during gentrification. Michael Porter identified the focus, cost leadership, and differentiation strategies as competitive strategies for organizations (Ibrahim, 1993). The focus strategy requires business owners to know and understand the customer they are attempting to reach and the product required by that distinct customer base, focusing efforts to meet the identified need. A cost leadership strategy is dependent upon a business being able to lower costs by creating efficiencies, exploiting economies of scale, and high engagement in the vertical or horizontal supply chain (Ibrahim, 2013). The differentiation strategy aims for business owners to create a niche market, either making a distinct and diversified product, creating a superior level of customer service, determining new capabilities of the existing product, or fulfilling a previously untapped need (Ibrahim, 1993). Armstrong (2012) identified big box stores as cost leaders as those stores may own their supply chain and can achieve large levels of efficiencies, a strategy unattainable for small businesses. The focus and differentiation strategies work best for small businesses (Ibrahim, 1993).

In contrast, Ibrahim (1993) identified better alignment to Miles and Snow’s strategic positioning for small business owners than Porter’s generic strategies. Miles and Snow identified three positions a small business owner could take within the market: the defender, analyzer, and prospector positions. The defender typology allows small business owners create a niche market and establish stability with their product mix and customer base, with the overall goal to protect their market from new entrants (Ibrahim, 1993). The prospector typology requires a continuous scan of the market by the owner to determine new initiatives the business could implement, usually through innovation (Ibrahim, 1993; Parnell, 2013). The analyzer typology is a hybrid of the two previous positions where an organization defends its position in the market while continually looking for new opportunities (Ibrahim, 1993). The analyzer stance is not effective for small firms, as owners must continuously look into the market to find new opportunities while also defending their current position (Ibrahim, 1993). The analyzer position may not be feasible for many small businesses, due to the heightened levels of actions across multiple areas, a task that may be daunting for a small firm. The defender and protector positions work well for small businesses (Ibrahim, 1993).

Referencing both Porter's generic strategy and Miles and Snow's strategic typology, a strong strategy for small businesses is to operate in a niche market. Newman and Kane (2014) and Parnell (2013) stated small businesses owners should differentiate themselves from larger competitors and create a resilient strategic position. Courtemanche and Carden, (2014) asserted the position of differentiation would assist small businesses in making profits. By having small differences that attract customers to their store, the small business owner can effectively differentiate themselves from competitors (Bolton, Gustafsson, McColl-Kennedy, Sirianni, & Tse, 2014) and create a memorable brand experience (Goodman & Remaud, 2015) that can entice a customer to return. There are multiple ways to achieve differentiation within the small business environment. The following strategies: technology, lean structure, customer experience, exploitation of current environment, leveraging of internal assets, market responsiveness, and the empowered relationships between small business owners, may assist small business owners in sustaining profits during retail gentrification.

Technology. Technology creates a level playing field for small businesses in competition with larger firms (Pollard & Morales, 2015), creating value at an inexpensive cost. Utilizing the internet and social media allows firms to market and communicate with customers. Exploiting technology to drive business (Bharadwaj, El Sawy, Pavlou, & Venkatraman, 2013) lowers the barriers that large firms can create.

Lean Structure. The use of a lean structure in a small business can create an environment in which employees understand all parts of the business, recognize inefficiencies, and create new processes to solve problems quickly (Noda, 2015). The lean structure can allow employees to be responsive to customer's needs and create an adaptable solution, an agility big box stores may not have. In addition, employees can operate as scanners in the market to identify upcoming opportunities.

Customer experience. Through the identified correct product mix reflective of customer needs within the neighborhood and superior customer service, a small business owner can create an unforgettable customer experience for old and new customers. Goodman and Remaud (2015) and Khare (2014) found value in understanding customer needs and coupling that approach with excellent customer service. Customers are more responsive to stores that prioritize customer service, as they may more quickly develop a trusting relationship with the storeowner (Noda, 2014; Goodman & Remaud, 2015; Khare, 2014). The creation of a loyalty program can further assist customer service by driving customers to repeatedly visit the store in exchange for a free good (Khare, 2014). Bolton et al. (2014) found loyalty programs worked better when the free item was specific to the customer based on previous shopping patterns.

Exploitation of current environment. Small business owners should take advantage of their physical space within the neighborhood (Goodman & Remaud, 2015) and the renewed interest of the gentrifying area (Kern, 2013). Due to the small business' proximity to the gentrified area, the convenience of the store to the gentrifier's home can be an attractive incentive to frequent the business (Khare, 2014). The closeness to customers is a strategic advantage for the small business owner to understand the immediate market need (Goodman & Remaud, 2015; Khare, 2014). Newman & Kane (2014) found consumers champion for small businesses preferring to shop small, especially when faced with an influx of big box stores.

Leverage internal strategic assets. Small firm owners should aim to leverage internal strategic resources as a way to defend against competitors. The resources available to small businesses include social and intellectual capital, organizational processes, innovation, and cost efficiencies (Campbell & Park, 2016). Due to the nature of small businesses, the owners may be the prime source of competitive advantage as a large majority of the internal resources lie within their body of knowledge and long-term vision for the organization (Armstrong, 2012; Harris, Gibson, & McDowell, 2014). In addition, the owner identified the gap in the market need that the small business filled by responding to market sensitivity (Saiz-Alvarez, Cuervo-Arango, & Coduras, 2013). Thus, business owners can better identify which internal resources are necessary to exploit later.

Market responsiveness. Small firms operate with lower overhead and fewer personnel than big box stores creating a nimble structure that can react to the market quicker than larger firms (Praharsi, Wee, Sukwadi, & Padilan, 2014). The ability to restructure, regroup, and change course mid-strategy is a benefit small business owners can utilize to reach a targeted customer need faster than big box stores in the marketplace (Zulu-Chisanga, Boso, Adeola, & Oghazi, 2016). In addition, small business owners are able to determine upcoming trends or needs in the market, surviving on missed opportunities by the big box stores (Goodman & Remaud, 2015). This advantage can also lead to a reduced time to market (Khare, 2014) as the business owners may only have one store to stock, needing to go through no or minimal supply chain management to get the product on shelves. While market responsiveness is an advantage for small businesses, this same strategy is a disadvantage for larger stores with a large supply chain in place that cannot react to the change as quickly. In addition, if the trend differentiates too far from the overarching mission of the larger store, it may not be feasible to implement (Garrett & Neubaum, 2013). Market responsiveness can lead to a successful understanding of the product mix (Goodman & Remaud, 2015; Noda, 2015) representative of the surrounding community and may create a strong position in the market for small businesses.

Empowered relationships between small business owners. Small business owners within a neighborhood rely on each other to market and promote products through mutually beneficial relationships (Kern, 2013). The beneficial relationship provides the coffee shop owner the ability to assist the local printing company by selling the local newspaper in their store. All three small business owners benefit as their services help the other to exist, while creating a relationship of critical inter business knowledge share, potentially increasing the effectiveness of all business operations (Ficano, 2013). Business owners within a neighborhood can create a marketplace in which businesses co-exist, not taking market share from one another (Goodman & Remaud, 2015; Porter, 1980). These empowered relationships can benefit the neighborhood's overall profitability, economically tying the businesses to one another

(Lim, Kim, Potter, & Bae, 2013). Gentrification and big box stores threaten those relationships as small business owners may close, due to intense competition, leaving other small businesses without the relationships that sustained them. However, small businesses within a neighborhood can ban together to market themselves as an authentic space to attract customers (Ferm, 2016; Khare, 2016; Ryu & Swinney, 2013). Zukin (2009) identified that those who enter a gentrifying neighborhood are looking for an authentic space (Zukin, 2009); therefore neighborhood's should work together to market their uniqueness to attract customers (Goodman & Remaud, 2015; Ryu & Swinney, 2013). As a collective, small business owners within a neighborhood can leverage each other to brand the neighborhood and incentivize consumers to purchase in the area (Goodman & Remaud, 2015).

Parnell (2013) identified in some instances firms can use multiple strategies to defend and advance their position in the market, sometimes to a better effect than utilizing just one strategy. Neugebauer et al. (2016) determined different approaches were necessary based on a particular problem faced. Praharsi et al. (2014) found joint strategy, competitive and marketing, are necessary for profitability. If customers feel they can find their products while having a great customer service experience along with the convenience of location, neighborhood businesses have a great strategic stance within gentrifying neighborhoods. The use of multiple strategies, such as product availability and store experience, can allow a stronger consumer – storeowner relationship in which store loyalty and sustainability can occur (Armstrong, 2012; Praharsi et al., 2014).

Existing Studies on Small Businesses and Gentrification

Researchers exploring small businesses and gentrification delve into residential views, social disparity views, consumption patterns, and evolution of spaces. Previous studies on gentrification also cover government involvement, authoritative body oversight, private development, and active interference. Existing studies on the impact of gentrification on small businesses span the world with research completed in the United States, Canada, United States, Korea, Australia, and the United Kingdom.

Gonzalez and Waley (2013) found areas and businesses regularly frequented by low-income groups or immigrants are targets for gentrification, while Rankin and McLean (2014) stated small businesses bring the community together as a means of social networks and communal ties. Burnett (2014) stated gentrification was a systematic solution to rid neighborhoods of bad elements, when the neighborhood had in fact already gone through class warfare, by periods of investment and disinvestment. Ernst and Doucet (2014) recognized an impact of gentrification is the loss of investment within an area and that gentrification further divides social class and differentiates old and new members of the community.

As gentrification occurs, new stores open to meet the need of the new consumer (Zukin, 2009). Komakech and Jackson (2016) identified that gentrification changes the consumption patterns of a neighborhood and Shaw and Hagemans (2015) found small businesses begin to disappear when stores no longer meet the needs of the new consumer. However, Newman and Kane (2014) found residents within neighborhoods might not care for larger stores, such as Wal-Mart, when they intrude on local small businesses that have supported the area. Armstrong (2012) determined small businesses cannot compete directly with larger stores entering the area, but must have a strategy to retain and gain customers to survive and stay profitable. Jeong, Hu, and Jung (2015) found ill-managed gentrified areas that do not ensure the stability of current local small businesses may force many small business owners to relocate or close.

Transition

In this section, I identified the purpose and background of this study, along with the problem statement and research question of the study. The exploration of the effects of gentrification on small business owners is the foundation of this study. The resource-based view and Porter's five forces frame the study to assist in understanding the internal and external environment of profit based firms. This section also contained the assumptions, limitations, and delimitations of the researcher, which addressed and mitigated potential bias in the study. The nature of the study identified what the study aimed to achieve while the significance explained the positive contribution the study aimed to implore in both business and social spaces. In addition, I provided operational definitions to ensure consistency in study concepts, which may hold multiple meanings in conversational dialogue. Lastly, Section 1 provided the interview questions used for study participants based in the conceptual frameworks, which aimed to explore the effect of gentrification on small business owners.

Section 2 explored the approach to the implementation of the study, the research method and design, as well as, the tools and techniques used to collect data. Section 2 also covered participant criteria and selection, as well as, sampling techniques and the role of the researcher in the data collection. Lastly, the section included a description of data organization and analysis completed in an ethical, reliable, and valid manner. Section 3 included the practical applications of the findings, recommendations for future action and research, and the reflections of the research.

Section 2: The Project

As gentrification takes over neighborhoods, current resident and consumers can begin to feel as though they no longer belong and begin to leave (Shaw & Hagemans, 2015; Valli, 2016). This can cause great strife for small business owners as their current consumers may no longer be purchasing, and incoming gentrifiers may not have the same consumption preferences as those who previously purchased (Ernst & Doucet, 2014). The changing nature of clientele can leave the storeowner with a need to identify a strategy to stay profitable during a time of gentrification. In Section 2, I identify my role as the researcher, the research method and design, and the criteria I used to select participants to take part in the research.

Purpose Statement

The purpose of this qualitative multiple case study was to explore strategies small business owners have used to sustain profits during retail gentrification. The targeted population was seven small business owners who were going through a period of gentrification in two Washington, D.C., neighborhoods, Congress Heights and Adams Morgan. The business owners were profitable in their current store in the identified areas for at least 3 years. The implication for positive social change from the findings may assist small business owners in the development of sustainable profitability strategies during retail gentrification, potentially promoting a stable local economic climate, ensuring the continued employment of local residents, and maintaining the neighborhood authenticity.

Role of the Researcher

In qualitative studies, the researcher acts as the primary data collection instrument (Yin, 2014). The intent of the researcher is to understand the lived experiences of the participants in their words (Doody, 2013). To do so, the researcher may use semistructured interviews to gather information to understand how participants interpret a given phenomenon (Dixon, 2015). Therefore, the researcher must create a comfortable environment for the participant to allow for an intricate and inclusive view into participants' responses (Anleu, Blix, Mack, & Wettergren, 2016). My role as the researcher was to conduct the semistructured interviews with small business owners in two Washington, D.C., neighborhoods, and to explore the strategies owners used to stay profitable during gentrification.

I had no previous relationships with the small business owners I interviewed. I selected the participants for the study based on the requirements that: (a) the small business was located in either the Adams Morgan or Congress Heights neighborhood, and (b) the storeowner was profitable during the last 3 years in that neighborhood. Given the proximity of the neighborhoods to my home and work, I had a minimal relationship with the research area. However, this knowledge did not influence bias in my research. I selected the neighborhoods of Adams Morgan and Congress Heights for this study because each is currently going through gentrification. In the 1970s, Adams Morgan encountered gentrification when two segregated neighborhoods, Adams and Morgan, were integrated. The neighborhood is now going through a second phase of retail gentrification to bring more businesses to the area ("Adams Morgan," 2016). Congress

Heights is going through gentrification as the City of the District is constructing a new sports facility in the area that is going to bring new storefront to the area, which will trigger additional types of gentrification to both the immediate and surrounding areas (Sherwood, 2015). I have a relationship with the subject matter of gentrification in that the effects of the phenomenon have always intrigued me. However, I have viewed gentrification from a social standpoint, and therefore had minimal biases regarding gentrification as a business problem.

The Belmont Report (1979), created by the Department of Health and Human Services, is an oversight document that covers basic ethical principles of research studies, and includes guidelines for protecting the rights and health of study participants. The Belmont Report covers three main ethical areas: respect for persons, beneficence, and justice. As the researcher, I met the requirements of the Belmont Report by allowing participants to respond freely, and avoided behaviors or actions that may have lead the participants to feel judged by their responses. In addition, I made sure participants received equal and fair treatment and received the same opportunities throughout the study. Dixon (2015) stated that consent forms ensure subjects understand participation is voluntary and they can halt at any time. Gioia, Corley, and Hamilton (2013) also found that the researcher could further enact confidentiality by coding participant's responses through the data collection and analysis process. I coded all the participants' identification and ensured participants confidentiality.

Fusch and Ness (2015) identified the researcher as the primary data collection instrument and cannot separate themselves from the data, but must be mindful of the impacts of bias (Robinson, 2014). In order to mitigate bias in the study, I used the same protocol to ensure I approached each participant in the same manner and I asked the same base questions. Cleary, Horsfall, and Hayter (2014) identified the interview protocol as necessary to making sure synergy does not direct the interaction and provide inaccurate responses. In addition, I purposefully selected participants for the study to mitigate bias; I did not previously know them and did not have any preconceived notions as to their experiences. During data collection, I did not respond to participants' responses, so as not to communicate that there were right or wrong answers to the interview questions. Lastly, I implemented member checking so participants were able to verify that I had correctly interpreted their responses.

The protocol I designed for this study spanned the identification of the participants through the completion of the participants' interviews. When I met with the small business owners, I explained the purpose and the benefits of the study and requested their participation. Upon their agreement to participate, I set up a date and time to conduct the interview at a location of their choosing. On the day of the interview, I requested they sign a consent form stating that participation is voluntary and that they are able to stop at any time. I also assigned each participant a code prior to commencing the interview. During each interview I followed the interview protocol, which included an icebreaker and six open-ended questions (see the Appendix). Gioia et al. (2013) determined that interview protocols are necessary to ensure consistent and thorough questions that do not lead the participant. When necessary, I asked the participants follow-up questions. At the conclusion of the interviews, I thanked them for their time and asked for any company marketing documents that they used during gentrification to stay profitable. This protocol allowed me to request the same information from all participants, and allowed each participant to respond in their own specific way.

Participants

Cridland, Jones, Caputi, and Magee (2015) noted that study participants are fundamental to capturing compelling data. Cleary et al. (2014) reported that participant selection should have purposeful intent and based in the conceptual framework of the study. In addition, participants should be selected based on their exhaustive and lived experience of the phenomenon being explored (Cleary et al., 2014), as well as their personal understanding of the phenomenon (Doody, 2013). I selected participants for this study based on the following criteria: (a) participants were owners of a small businesses in a neighborhood currently going through a period of gentrification; (b) the small business owners were located in the Washington, D.C., neighborhoods of Congress Heights and Adams Morgan; and (c) the small business owners were profitable in during the last 3 years. I used the small business websites of the two neighborhoods, Adams Morgan and Congress Heights, to locate small business owners. I then cross-referenced the list of small businesses with the D.C. Department of Local and Small Businesses and the D.C. Department of Commerce and Regulatory Affairs website to determine the tenure of the business in the neighborhood in order to meet the 3 year deadline. Once identified, I meet with each business owner to request his or her participation.

Robinson (2014) stated that in-person interviews build trust between the researcher and the participant. I established a relationship with the participants by interviewing them face-to-face if possible. If the participant was only available over the phone, then I took more time to get to know them prior to the start of the interview. In addition, researchers should create an open dialogue by explaining why they are conducting the study to create an atmosphere of openness (Dixon, 2015) and create trust and rapport by addressing participants as active partners in the interview (Doody & Noonan, 2013). I established the relationship by meeting the participants at their location of choosing to ensure they felt comfortable and in control. I also explained to them why I was conducting the study, and how their participation affected the outcome of the study. Lastly, I encouraged them to ask me any questions that they may have had prior to the commencement of the study so that I was able to put their mind at ease and remind them that they did not have to participate if they did not feel comfortable.

Research Method

There are 3 types of research methods: qualitative, quantitative, and mixed method. I used the qualitative research method to explore the strategies business owners used to stay profitable during gentrification. The qualitative method is a scientific approach focusing on the words and lived experiences of the individuals being interviewed (Houghton, Casey, Shaw, & Murphy, 2013; Astalin, 2013). Cridland et al. (2015) stated that the qualitative method allows researchers to understand complex matters and capture thicker, richer context, such as a phenomenon.

The quantitative method includes the use of surveys and statistical analysis (Thamhain, 2014) and is best suited to larger samples of a population (Fassinger & Morrow, 2013). Cridland et al. (2015) and Fassinger and Morrow (2013) found that the quantitative method assisted researchers in determining if a previous hypothesis is supported in a current study. Lastly, the mixed method approach is a combination of the qualitative and quantitative methods, where one method is the precursor for the other and the secondary information provides additional insight in the research (Lien, Steggell, & Iwarsson, 2015). Khare (2014) stated that the mixed method approach assists researchers by further understanding variables through a qualitative context. While Frels and Onwuegbuzie (2013) and Peterson et al. (2013) found that the mixed method allowed interviews and participant dialogue to supplement survey data, providing more complete and complex stories.

My intent was to explore the ways in which small business owners used strategies to stay profitable during gentrification by interviewing them about their experiences with and knowledge of the phenomenon. The qualitative approach was therefore best suited to my needs, and I did not choose the quantitative method because I did not intend to test a hypothesis and there were no variables to measure. Additionally, I did not select the mixed method approach because of time constraints.

Research Design

The five most recognized designs within the qualitative method are: (a) case study, (b) grounded theory, (c) ethnography, (d) narrative, and (e) phenomenology (Petty, Thompson, & Stew, 2012). The framework of the study determines which design researchers use based on the research question, the object or subject of the study, and the analysis of data collected (Astalin, 2013). I used the multiple case study design to explore the strategies small business owners used to stay profitable during a time of gentrification.

The case study design is used to explore a phenomenon within the natural state (Yin, 2014) using a multitude of ways to gather data (Astalin, 2013). Almutairi, Gardner, and McCarthy (2014) found that multiple data types assist researchers in creating a complete picture of the event or phenomenon. Astalin (2013) showed that researchers who use case study are able to identify the underlying principles of the phenomenon, while Petty et al. (2012) found that the case study approach is a way to understand the uniqueness and distinctiveness of cases. The case study design allows researchers to view the phenomenon through the personal accounts of those affected (Houghton et al., 2013). Within the case study design, there can be both single and multiple cases (Yin, 2014). Houghton (2013) found that multiple case studies are helpful when viewing multiple perspectives regarding a phenomenon. Yin (2014) stated that multiple cases also bring additional context to the study and provided a more thorough interpretation of the phenomenon. I used multiple case study because this design allowed me to garner in-depth understanding of the phenomenon through data collection, and allowed me to compare and contrast the effects of gentrification reported in participant interviews.

Researchers using the grounded theory design aim to collect data and create a theory in an effort to explain an event or phenomenon (Petty et al., 2012). Researchers who use this design begin research without a conceptual framework in place to view events naturally (Kenny & Fourie, 2014) and ground the theory in information collected from participants (Astalin, 2013). Kenny and Fourie stated that grounded theory design might result in research with little to no preconceived notions because the researcher is gathering new information throughout the data collection process and not making the data fit into previously identified frameworks (Anderson, Guerreiro, & Smith, 2016). I did not use grounded theory design because I did not intend to construct new theory of why gentrification affected small business owner's profitability.

Researchers use the ethnographic design to study the lived experiences of cultural groups of people (Petty et al., 2012). Lopez-Dicastillo and Belintxon (2014) stated researchers using ethnography want to explore the shared values and meanings of a particular group. Researchers who utilize ethnography spend large amounts of time in the field to understand collected information from the participant's viewpoints and aim to analyze data in a manner consistent with the studied population's cultural references (Astalin, 2013). I did not use the ethnographic design because I explored the strategies used by small business owners during gentrification, opposed to their experiences of gentrification.

In the narrative approach, the researcher seeks to understand a person's experience through recollections of the events (Petty et al., 2012). Lapum, Fredericks, Liu, Yau, Retta, Jones, and Hume (2016) stated the narrative approach allows the researcher to understand the experience through storytelling to understand the person's experience. Paschen and Ison (2014) stated through storytelling, or the narrative design, the researcher actively tries to interpret the meaning of the story through the participant's views, lens, and beliefs. I did not use the narrative design because I wanted to understand the small business owner's strategy for profitability; the narrative design is more useful to understand a business owner's experience of the effects of gentrification on their individual store.

Researchers use phenomenological design to understand a lived experience of a phenomenon to understand the corresponding meaning to the individual in which the phenomenon occurred to (Petty et al., 2012). A researcher using the phenomenology approach wants to uncover firsthand accounts of participant's experiences (Dowden, Gunby, Warren, & Boston, 2014) to study the situations and concepts of the phenomenon (Astalin, 2013). I chose not to use phenomenology because the design captures the individual's reality of the phenomenon, whereas, I intended to gain the strategies implemented to stay profitable during gentrification.

Through the multiple case study design, I achieved data saturation by completing multiple interviews with a purposeful sampling of participants. Data saturation occurs when the researcher garners no new information from those being interviewed (Fusch & Ness, 2015), making data redundant (Robinson, 2014; Marshall, Cardon, Poddar, & Fontenot, 2013). I also analyzed data until themes became duplicative and I gained no new information.

Population and Sampling

Population includes a large grouping of individuals with the characteristics needed by the constructs of the research (Poulis, Poulis, & Plakoyiannaki, 2013); while sampling is a subset of the population defined by the rules of inclusion or exclusion based upon the identified needs of the study (Robinson, 2014). Therefore, researchers should place a large emphasis on identifying the correct population as the derived sample has a direct effect on the results of the study (Hofler & Hoyer, 2014). My population was small business owners going through gentrification in two Washington, D.C. neighborhoods, Adams Morgan and Congress Heights. In addition, businesses of participants in the study were profitable in the selected neighborhood during the last 3 years.

Researchers should ensure they provide rationale as to the sampling identification procedures to create validity in the research (Marshall, Cardon, Poddar & Fontenot, 2013). Sampling can occur through many techniques, but generally fall within two categories, random or purposive (Robinson, 2014). Random sampling is expensive, arduous, difficult to achieve, and can provide skewed results if the correct sample is not selected (Emerson, 2015). However, purposeful sampling can achieve a more specific sample using an identified set of criteria (Robinson, 2014). Stratified purposeful sampling allows the researcher to identify the groups of cases that should be included within a study and then creates categories to split the cases apart (Robinson, 2014). I used stratified purposeful sampling to identify study participants by creating categories. I first identified small businesses within Adams Morgan and Congress Heights using each neighborhood's small business website, the first category. I then excluded businesses that had not achieved profitability during the last 3 years by utilizing the databases of the DC Department of Local and Small Businesses and the DC Department of Commerce and Regulatory Affairs, the second category. I called or met with each participant to explain the purpose of the study and asked for his or her participation. Cridland et al. (2015) found the correct identification of the selected sample is fundamental to the data collection phase.

I selected seven small business owners from the two neighborhoods to participate in the study, achieving data saturation. Yin (2014) identified an ideal sample size for the multiple case study design to be between six and ten participants, while Poulis et al. (2013) identified that the participant selection should be relevant and contextually appropriate to the research. Robinson (2014) identified studies with idiographic views can have a smaller number of participants to understand the subjective phenomenon.

I interviewed participants at their desired locations to ensure comfortability in the interviews. Doody (2013) stated the interview date, time, and location should be the decision of the participant, which can assist in creating a comfortable environment. Dixon (2015) stated the researcher should be concerned with the participant's level of comfort, while Anyan (2013) stressed the researcher should have sympathy for the participant and their participation in the study. Dixon (2015) also stated that interviewer should take the time to address participants' questions, explain the interview process, and avoid controlling behaviors throughout the interview. Dixon (2015) and Anyan (2013) stated that addressing the comfortability of a participant shifts the balance of power from interviewer to interviewee.

I conducted interviews until I achieved data saturation. Fusch and Ness (2015) found that data saturation occurs when the researcher gains no new information from the data collection process and the information attained is of a rich quality. Marshall et al. (2013) and Robinson (2014) determined data saturation occurs when no new information is gathered and the collected information becomes duplicative. Marshall et al. (2013) also stated the importance of determining the right sample assists in achieving data saturation.

I used a purposeful sampling based on inclusion rules and reached data saturation within the data collection.

Ethical Research

I requested and received approval from Walden University's Institutional Review Board (IRB) prior to starting the study. The approved IRB number for this study is 03-15-17-0591749 and will expire on March 14, 2018. In addition to IRB, I used other methods to ensure ethical research. Bromley, Mikesall, Jones, and Khodyakov (2015) determined that researchers should properly inform participants of the risks and benefits of the study and ensure that participants voluntarily join the study on their own accord. Consent from a participant should also include understanding the nature of the study, the selection process, confidentiality within the study, as well as, the participant's ability to stop at any time within the study (Dixon, 2015). Consent provides essential information to study participants to understand the risks associated with participating (Cook, Hoas, & Joyner, 2013). Cridland et al. (2015) presented consent, not as a onetime occurrence, but a continued approval throughout the research process. I provided the participants with consent forms prior to the commencing the interview and made sure they understood the risks, benefits, and voluntary nature of the study. I requested consent again through member-checking assistance.

One condition of consent is that a participant can withdraw at any time. Hadidi, Linquist, Treat-Jacobson, and Swanson (2013) stated that the right of withdrawal is an ethical basis of a research study. If participants wished to withdraw from the study, I instructed them to contact me via phone or email to inform me of withdrawal. If requested, I would oblige the request and ask if there is a reason why the participant no longer wanted to participate in the study. If the participant provided me with a reason for withdrawal, I would take note of the reason and thank them for their time invested thus far. In addition, I would have incorporated any received concerns to refine future practices with research participants. Hadidi et al. (2013) found understanding why participants choose to withdraw assists the researcher in future approaches in participant retention. However, I did not have any participants ask to withdraw from the study.

I did not provide any incentives to encourage small business owners to participate. Singer and Yee (2013) found while incentives decrease the refusal to respond within studies, they do not increase the substance of the responses. The only way to engage the respondent is if participants feel they are gaining something from the experience. Therefore, I instructed participants that they would receive a copy of the strategies identified from the finished study as a follow up to the interview. Cridland et al. (2015) found that study results should be shared with the target audience, while Robinson (2014) warned that participants' receipt of the study findings should be an offered choice as it may have unintended consequences. However, based on Robinson (2014) identification of potential harm to participants, each participant will make an independent decision to receive a copy of the study at completion. This was the only incentive provided from the study. Participants were able to opt out of receiving the study findings at any time.

I ensured the ethical protection of the participants through the confidentiality of their participation in the study. Gioia et al. (2013) and Cridland et al. (2015) determined that researchers should assign codes for each respondent as to not disclose responses. I coded participants at the start of the interviews. I ensured ethical protection by allowing respondents to respond freely and without judgment, utilizing the same protocol with all the participants to ensure equal and fair treatment.

Throughout the study, I placed all names and accompanying identification on a locked flash drive. I was the only person that had access to the flash drive and did not provide the information to anyone else. The flash drive and accompanying paper files are securely stored in a locked box in my possession for the next five years. After the five years, I will discard all accompanying paper and digital information.

Data Collection Instruments

Fusch (2015) explained researchers are critical in qualitative studies as they view the data collected through a personal lens. Yin (2014) identified that the researcher is the primary data collection tool in qualitative research, while Petty et al. (2012) identified the researcher as a critical component of a study. I was the primary data collection instrument in this study.

Data collection is the first step in data analysis. Data collection within qualitative research assists researchers in gaining in-depth information and context to a phenomenon beyond just brief descriptions (Anyan, 2013). Petty et al. (2012) found qualitative data collection to include individual interviews, focus groups, observations, or the analysis of documentation. Cridland et al. (2015) also identified diaries as another source of data collection within qualitative research. I used semi structured interviews and company marketing documents as the data collection instruments. I used the participant's responses to the interview as data for research analysis, and company marketing documents for triangulation.

Anyan (2013) identified interviews as a tool providing researchers with a lens to understand participant's experiences and their worldview. Dixon (2015) added interviewing allows the researcher to capture the logic and depth of participant's responses. Semi structured interviews give researchers the flexibility to follow the participant's prompts and gives the participant the ability to explore their interpretation of meaning (Doody & Noonan, 2013). The interview protocol is located in the Appendix. As I explored the strategies small business owners used, semi structured interviews were determined to be most appropriate. I audio recorded the interview and took notes as well.

Doody (2013) identified that thoughtful planning, such as protocol, prior to the start of an interview assists the researcher and participant in feeling more comfortable and receptive to one another. Cridland et al. (2015) also stated that an interview guide was critical in researcher preparation for a study. The protocol of this study provided participants with the purpose and benefits of the study, requested participation, allowed the participant to select a time and location for the interview, and receive the participant's consent. Anyan (2013) also found that it was critical for the interviewed individual to understand the purpose and intent of the interview to ensure the power dynamics of the interview did not skew in the favor of the researcher. Upon consent approval, I assigned participants with a code for confidentiality, conducted the interview, and asked participants to provide company marketing documents that assisted in profitability strategies. I used the information gained from the interviews and marketing documents as data for the study.

Morse (2015a) stated the reliability and validity of data could determine the rigor of a study. I provided the rigor of study by using an audit trail, member checking, and triangulation. Houghton et al. (2013) stated the researcher should provide an audit trail of the study allowing readers to make their own judgments on the findings allowing confirmability and transferability. Petty et al. (2012) determined the audit trail was helpful to understand the researcher's rationale in the constructs of the study. Yin (2014) also stated that providing a chain of evidence could assist in showing the path from the research question to the study's results, allowing others to make their own judgment. An audit trail provides confirmability and transferability to a study. I also used member checking in this study. Member checking ensures the researcher correctly interprets the information collected in the interview (Morse, 2015a), by allowing participants to review the data analysis completed by the researcher. Member checking adds validity to the study (Petty et al., 2012), and provides an accurate account of the data (Boblin, Ireland, Kirkpatrick, & Robinson, 2013). I used the interview responses and company marketing documents to complete triangulation. Triangulation utilizes multiple sets of data to provide more insight on the phenomenon and increase the depth of the subject matter (Morse, 2015a). Triangulation also provides more complete and thorough data creating a more accurate picture (Houghton et al., 2013). Petty et al. (2012) determined triangulation to be helpful as it brings a variety of perspectives to the study.

Data Collection Technique

The purpose of this study was to explore the strategies small business owners used to stay profitable during a time of gentrification. The qualitative method allows researchers to understand and explore multifaceted issues the quantitative method cannot (Cridland et al., 2015). Researchers can collect qualitative data in a variety of ways to include interviews and focus groups transcripts, data analysis and observations (Petty et al., 2012). However, Dixon (2015) stated interviews provide greater advantages than other methods of data collection. I used semi structured interviews and company marketing documents as my research data.

Semi structured interviews are the most utilized type of interview in qualitative work (Anyan, 2013; Doody & Noonan, 2013). Cridland et al. (2015) stated semi structured interviews are helpful in the exploration of a subject as participant's views guide the conversation. While Anyan (2013) determined semi structured interviews allow for a range of conversations between the researcher and the participant. The semi structured interviews allowed me to gain in-depth insight into the personal experience of gentrification with each small business owner. The advantages of semi structured interviews lie in participant's ability to tell their story and express their thoughts on the matter (Dixon, 2015). Because of participant's need to be open in qualitative studies, the researcher gains the participant's perception of the events (Cridland et al., 2015), and their subsequent actions. Irvine et al. (2013) also stated interviews are helpful to researchers as they can provide visual cues and additional clarification can be sought if necessary. However, the researcher must be aware that the participant may feel uncomfortable with the openness of interviews as they may view it as intrusive and uncomfortable (Doody & Noonan, 2013). In addition, the power dynamics of an interview can make the participant feel that they must respond in a certain manner to appease the researcher (Dixon, 2015). I avoided making the participant feel uncomfortable or powerless in an interview by following the interview protocol.

I used member checking as another way to make participants feel included in the data process. I provided participants a copy of the preliminary themes identified from data collected from the semi structured interviews. I also followed up with each to ensure study themes capture the intent of the participant. Anyan (2013) stated involving participants in transcript review makes them active partners in the study, providing balance in the power shift. Koelsch (2013) identified that member checking can encourage both transactional and transformational validity, through the identification of factually correct documents and through the informative experience of reviewing how the researcher captured their thoughts. Reilly (2013) stated member checking was also helpful for researchers as the review may provide additional context and understanding of the phenomenon. While Anney (2014) identified member checking marries data coherence to the accuracy of the findings.

Data Organization Technique

Data analysis is a time consuming process (Petty et al., 2012) where the researcher is consistently looking for new themes and validation in the data collected. Therefore, the researcher must organize data in a manner conducive to analysis. Yin (2014) recommended researchers keep an evidentiary database that compiles and organizes data collected from the research. Fielding, Fielding, and Hughes (2013) determined researchers should attach identifiers to participant's responses within data collection to add value in data analysis. I organized my interview notes along with participant responses in a database with unique identifiers. I used computer assisted software to organize and categorize study data. Petty et al. (2012) found Nvivo to be a powerful data management tool for researchers and Yin (2014) stated computer assisted software is helpful in assisting researchers in coding and organizing large quantities of data. Grimmer and Stewart (2013) also agree automated programs are helpful for the researcher, but do not replace the need for the human eye to carefully review and analyze data. Therefore, I validated the information in the computer assisted software with my notes to ensure data accuracy. Yin (2014) stated the compilation of data in an orderly manner lends more reliability to the study. I also used a journal to keep track of emerging themes I found while organizing the data. All raw data has been stored on a password protected flash drive and secured in a locked box only I have access to, in accordance with Walden's 5-year specification.

Data Analysis

Petty et al. (2012) identified the data analysis process as time consuming and labor intensive. Data analysis should not occur in a linear manner but instead in a recursive one, in which the researcher moves between data collection and data analysis to find and validate themes and understandings in the content (St. Pierre & Jackson, 2014). Yin (2014) stated the evolution of themes comes from data analysis, while Boblin et al.

(2013) noted the constant analysis and interpretation of data helped to determine the sufficiency of the data.

I used thematic analysis on the data gathered from the interviews and my notes. Braun and Clarke (2013) identified multiple phases within thematic analysis, included thoroughly reading/understanding data, coding data, identifying themes, and then re-identifying themes. Using thematic analysis, the researcher organically codes based upon the content of the data and not with pre-existing codes. Vaismoradi, Turunen, and Bondas (2013) found thematic analysis allowed the researcher flexibility within coding to find concurrent themes within the data to capture a more complex view of the subject matter. Braun and Clarke (2014; 2013) also found that thematic analysis is best suited for application research as it provides complex and intricate insight into data.

Anney (2014) identified three types of triangulation: investigator, data, and methodological. I employed methodological triangulation in this study, as I used interview responses and company marketing documents to validate information. Boblin et al. (2013) found triangulation promoted both the confirmation and divergence of findings from previous literature, while Morse (2015a) stated that triangulation was necessary and brought depth to the study. Triangulation also assists in verifying data collected from interviews and reduced researcher bias (Anney, 2014). I used company marketing documents to support the interviews by adding additional context to the narrative. These documents provided me with information on how the business owner engaged customers, what tactics worked within the neighborhood, and what type of promotions are enticing to encourage purchasing.

After the completion of participant interviews and the collection of company marketing documents, I interpreted the data. The process for data analysis in this study included the following four steps: (a) transcribe interviews and notes, (b) read and code transcriptions, (c) identify categories and themes, (d) and analyze data. Although the four steps are shown in a linear progression, I continuously moved between steps (b), (c), and (d) to enhance the data analysis. Consistently moving between data analysis assisted in the validity and sufficiency of findings (Boblin et al., 2013; St. Pierre & Jackson, 2014).

Transcription

I transcribed the notes in dialogue form to capture the essence of the interview between the researcher and the participant. Doody and Noonan (2013) acknowledged researchers should expect interviews too veer off topic as the interviewee responds to questions within semi structured interviews. Therefore, transcribing the notes in a dialogue format allows the researcher to revisit the interview and reflect on any additional off-topic subjects that may provide additional data to participant's responses. Butler (2014) found textual data as highly interpretive and recommended researchers only transcribe the actual commentary, not how the data influenced them. Morse (2015a) found member checking helpful to ensure the researcher captured the correct context of the interview and reported reliable data.

Reading and Coding

I read the transcripts comprehensively and multiple times to understand the participant's thoughts. Vaismoradi et al. (2013) encouraged the researcher to read the transcripts multiple times to understand the context of the subject. Braun and Clarke

(2013) found multiple readings of the transcript pivotal for researchers to become familiar with and intuitive of the data. Morse (2015b) acknowledged coding brings the data away from the individual and in line with the phenomenon. Coding should also be based on the research question (Dasgupta, 2015), but can be applied either prior or at the time of analysis. I used a code up approach to the data collected.

Identifying Categories and Themes

Within the thematic approach to data analysis, the researcher codes both themes and categories simultaneously (Vaismoradi et al., 2013). Morse (2015b) stated as a researcher categorizes data themes will emerge, providing a foundation for interpretation. I used the thematic approach for data analysis as it allowed for the continuous evolution of themes and prioritization of information based on a continuous review of data.

Analyzing Data

Within the final step of data analysis, I used NVivo to assist in the interpretation of data. St. Pierre and Jackson (2014) stated data analysis should not be reduced to just the coding of text, but should be explored, emerge, and re-emerge over time. NVivo allowed me to explore themes as it helped to organize and facilitate theme creation and data analysis. Sotiriadou, Brouwers, and Le (2014) found while in comparing computer-assisted qualitative data analysis (CAQDA) tools, NVivo allowed the researcher to code the data manually without assumption, while other data packages analyzed data using statistical text programs. Fielding et al. (2013) also identified that tools like NVivo assist the researcher in reliability of data as they can quickly trace the analysis to the root data.

Braun and Clarke (2013) advised that within the dataset, themes correlate to the research question. The conceptual framework, which ties to the research, assists the researcher in interpreting the data and tying it back to previous literature, further validating the findings (Dasgupta, 2015). I used the research question to find themes within the participant’s responses. As I identified findings, I tied the strategies back to new and existing literature on the conceptual framework of resource-based theory and Porter’s five forces. I also tied findings to existing literature on small business profitability. To make sure findings are reliable and valid, I used triangulation. Triangulation can assist in the reliability of data (Fusch & Ness, 2015), by utilizing two or more sets of data to answer the same question (Morse, 2015a). Triangulation also assists in providing a full and complete context to the data (Houghton et al., 2013). I used company marketing documents to validate data gathered during semi structured interviews.

Reliability and Validity

Reliability and validity within research determine the rigor of a qualitative study (Houghton et al., 2013). Morse (2015a) determined reliability and validity in qualitative research are comprised of dependability, credibility, transferability, and confirmability. Petty et al. (2012) further validated the intricacy of the four factors stating that dependability and confirmability build creditability, which in turn creates the ability for the study to be transferable. All four elements combine to make data trustworthy.

Dependability

Morse (2015a) determined that dependability within a study provides readers with a way in which to duplicate the study by understanding the original construction. Houghton et al. (2013) found one way of creating dependability within a study was by using an audit trail. While Petty et al. (2012) agreed an audit trail assisted readers to track the actions of the researcher; member checking is an additional way to validate interviews. I used member checking and an audit trail, through Nvivo, to further the dependability of the study.

Creditability

I ensured creditability by using triangulation with semi structured interviews and company marketing documents to identify themes and validate findings. Houghton et al. (2013) identified triangulation an appropriate method of creditability because it provides a more complete picture within qualitative research. Morse (2015a) determined creditability within qualitative research to be similar to the internal validity of quantitative research; therefore, multiple data collections assist in validating the research. Petty et al. (2012) determined a variety of perspectives is necessary to determine creditability as to ensure correct interpretations of information. Meanwhile, Koelsch (2013) assessed member checking as a means to encourage accuracy and assist in identifying a changing of views from participants. Although I did not change transcripts based on updated views, I took note and determined if the information added value to the data analysis.

Transferability

Transferability, or the ability to generalize results to another area or group, is the third element to determine the validity and reliability of a study (Morse, 2015a). The accurate reflections of participant's interviews by providing readers with thick and rich descriptions of the account can achieve transferability (Houghton et al., 2013). Transferability is helpful if readers want to duplicate the study and understand how the researcher constructed and executed the study (Reilly, 2013). Petty et al. (2013) and Anney (2014) also stated purposive sampling assisted transferability by capturing a broad range of individuals with diverse mindsets. I achieved transferability through the purposive sampling of study participants and by providing thick and rich accounts in the data analysis phase.

Confirmability

Objectivity, or confirmability, of the study (Morse, 2015a) is achievable through audit trails (Houghton et al., 2013; Petty et al., 2012). Petty et al. (2012) also stated identification and mitigation of bias by the researcher could also achieve the confirmability of a study. I ensured confirmability by utilizing an audit trail throughout the research phase and identifying any bias prior to engaging participants.

Data Saturation

Data saturation is a determinant of research rigor (Morse, 2015b). Saturation occurs when there no new information emerges and themes have become redundant (Houghton et al., 2013). Fusch and Ness (2013) identified the use of multiple interviews as a method to achieve data saturation, while Cronin (2014) stated triangulation assisted in achieving saturation. I conducted multiple interviews to achieve data saturation, and used company documents and interview transcripts for triangulation purposes.

Transition and Summary

In Section 2, I explored the approach to the implementation of the study. Section 2 covered participant criteria and selection, as well as, sampling techniques and data collection. Lastly, the section included a description of how the data was organized and analyzed in an ethical, reliable, and valid manner. Section 3 includes the practical applications of the findings, recommendations for future action and research, and the reflections of the research.

Section 3: Application to Professional Practice and Implications for Change

Introduction

The purpose of this qualitative, multiple case study was to explore the strategies small business owners use to stay profitable during a time of gentrification. Two gentrifying neighborhoods within the Washington, D.C., area served as the study sites. I initially selected Congress Heights because the neighborhood is going through an influx of businesses due to the erection of a sports complex in the neighborhood. I later realized gentrification had begun in Congress Heights prior to the sports complex because federal agencies began moving into the area 2 years ago. I used Adams Morgan for this study because the local neighborhood governance recently passed a 5-year plan to increase foot traffic in hopes of attracting more small businesses back into the neighborhood. Using the case study approach, I was able to gather a varied view of how small business owners approached and thought of gentrification. A common theme I found throughout the study was that gentrification presented itself in different ways to the business owners based on their interactions and experiences. Some business owners did not view gentrification as the cause of business profitability change, but instead viewed it as changing demographics and natural lifecycles of business. I did not intend to deter business owners from what they believed to be true; however, I noted that although gentrification was or had the potential for damaging effects to their business, business owners may not properly strategize to overcome the phenomenon.

I identified three specific areas of strategy that the small business owners were using to stay profitable. These areas included advertising, pricing, and customer acquisition. Also, I found there were additional factors that heavily influenced each small business owner's unique strategy, including the shopkeeper's mentality and neighborhood engagement. The combination of the tactical, strategic approach with external influences created a strong niche market position for the small business owners to stay profitable.

Presentation of the Findings

I designed the overarching research question for this study to identify strategies small business owners used to sustain profits during retail gentrification. This study took place in the Washington, D.C., neighborhoods of Adams Morgan and Congress Heights. The participant set included business owners who provided consumer goods or services and have been in the neighborhoods up to 20 years. Each small business owner brought a wealth of knowledge of business operations, neighborhood transitions, and in-depth understanding of potential solutions to better the neighborhood and increase small business opportunities. Their accounts of their time in the neighborhood provided me with an understanding of their experiences with neighborhood gentrification, as well as tried and true strategies for attracting and retaining customers.

Gentrification is disguised and described in many words such as *economic revitalization* or *redevelopment*, and therefore can be unrecognizable to many. Throughout the interviews, I found that small business owners did not directly agree or identify that gentrification was occurring in their neighborhood. However, participants also unknowingly identified how aspects of gentrification had affected their business. In some instances, small business owners asked me to explain gentrification, after which some reported that it had happened in their neighborhood while others described the changes as the evolution of business. In most responses, gentrification was polarized as either a negative or a positive change in the neighborhood, while two participants noted that in some ways it was both positive and negative.

One clear indication of gentrification is changing neighborhood demographics (Weinstein, 2015; Zukin, 2009). Business owners reported that they were catering to a younger and more diverse crowd, a typical sign of gentrification. Although each neighborhood had a distinct type of residents, with Congress Heights being a predominately African American neighborhood and Adams Morgan being a more eclectic and artsy neighborhood, the change in demographics required owners to take different approaches to engaging with the new gentrifiers.

One small business owner saw the demographic change when more bars entered Adams Morgan. The change in business type also changed the identity of the area, making the neighborhood known for the late night scene and increasing customer draws coming in the late evening time. The evening activity affected daytime stores because foot traffic dramatically declined and storeowners had to identify how to bring in more customers. Another small business owner stated that changing the definition of retail played a large role in how the neighborhood transformed. Specifically, the owner stated that where retail used to mean dry goods and merchants, which drew a lively customer exchange during normal business hours, retail space now meant restaurants and bars. As restaurants and bars primarily draw people during the evening hours, the changing demographics, because of gentrification, negatively affects those business owners that close their doors at 6 p.m.

Adams Morgan has also become a late night destination where people are willing to spend a large amount of money on food and alcohol, increasing the profit restaurant and bar owners can earn. As a result, one participant noted that developers want to bring in more restaurants and bars where owners can pay higher rent prices. One participant stated "…once the landlord has the choice, does he want a bar that can pay x amount of dollars or a little shop that can't afford to pay? What's he gonna choose? He's gonna chose the bar." The gap between what restaurant and bar owners can pay and what small businesses can afford may create an environment of displacement where smaller shops are no longer able to afford the area.

Many of the participants, when asked to think about other small business owners with a long tenure in the neighborhood whom I could interview, were not able too because most were forced out due to rising rents. One participant was, at the time of the interview, trying to determine if she would be able to stay in her location at the end of the lease. This participant stated that building owners in the neighborhood would evict the current tenant at the end of the lease and would rather the space sit vacant than provide them with a lower rent. The participant noted the building owners were looking for a developer or someone who could pay the asking price to fill the space before they would even consider reducing the rent amount. Marcuse (1985) identified the act of holding vacant space for an increased price a form of exclusionary displacement, effectively taking that space off the market for those who could pay the fair market value but not the exorbitant increase. As I walked around the neighborhood, I saw a number of vacant spaces within the neighborhood, including one directly in front of the small business owner who may leave her space due to the rent increase.

Positively, gentrification has also provided an avenue in which small businesses collaborate to improve the local neighborhood. In the neighborhood of Adams Morgan, the business improvement district (BID) has assisted in sidewalk restoration, parking improvements, local security, and other necessary factors to continue making the neighborhood a destination for shoppers. One participant stated that improvements helped make the area more pedestrian friendly and increased foot traffic.

The promise of gentrification is the complete opposite in Congress Heights where the local government made the promise of an increase in profits to small business owners as the neighborhood began to transition. Because of incoming government agencies and the building of the new stadium, the local government advocated the change as a positive benefit for the local economy. However, business owners acknowledged that the increase in customers would not positively affect them. Participants stated that the new entrants would not travel to where their stores were located but instead closer to the new area. Participants also noted they had seen this before, and as a result relied on their current customer base to stay in business. However, one business owner stated "the people who benefit the most from the new retail space would not be those [business owners] who have been in the neighborhood for years", citing this as a disservice to current storeowners.

Although the topic of gentrification varied between the storeowners, they used similar strategies to stay profitable. The five strategies of advertising, pricing, customer acquisition, shopkeeper mentality, and neighborhood engagement resonated in each interview. I grouped advertising, pricing, and customer acquisition under the theme of traditional strategy, while shopkeeper mentality and neighborhood engagement fell under the non-traditional strategy theme. Throughout the study, I found that small business owners' moved seamlessly through each strategy, many times using multiple strategies at one time.

Theme 1: Traditional Strategies

Advertising, pricing, and customer acquisition are common strategies consistently identified in participant interviews. The three strategies fall within the theme of *traditional* as participants discussed each as an afterthought—an assumption that everyone in business addresses the foundational areas. However, the small business owner perspective on each area provided insight on how to stay profitable during a time of gentrification.

Advertising. The participants I interviewed did not rely heavily on advertising, other than word of mouth, due to their tenure in the neighborhood. Each reported that when they first opened their business, they advertised to get their name out, which included passing out business cards and flyers, and advertising in the local papers and playbills. However, with their tenure in the neighborhood, it was no longer necessary. I found that owners relied heavily on their customer base and were not always actively looking for ways to expand. However, I noted that many participants stated they paid close attention to their business' page on Yelp.com and read the comments left for them. Although the business owners did not conduct direct advertising, they were very aware of how customers' perceptions marketed their business for them. On participant reported that the business won a local D.C. award, and believed that would draw customers to the store. Although they did not market themselves, they were cognizant of how others marketed for them. Another participant also reported that with the changing of the times he needed to become more up-to-date with internet and social media advertising. I found that while advertising was not something the small business owners were actively doing, it was critical to their business and they enacted in other ways, such as pricing and customer service.

To ensure triangulation, I reviewed the small business owners' indirect methods of marketing through Yelp, Google, or Facebook reviews, since owners relied so heavily on word of mouth advertising. Many of the small business owners engaged with customers through responses to the reviews, either thanking them for kind words or acknowledging they would look into any problems or complaints. Among the three review websites, the small business owners ranked highly—generally three stars and above on a five-point scale. Some customers raved about the product's pricing, the owner's commitment to customer service, and recommended the products to others. Other customers found the unique selection and the product knowledge would make them purchase from the retailer again. Many of the strategies I found in the study directly relate to the comments that customers provided within reviews of the businesses.

Pricing. Small business owners reported attempting to keep their prices low while also providing quality products. Some owners noted the importance of the ability of people from within the neighborhood to shop and purchase locally at a reasonable price. One participant noted that not everyone could afford “a $10 sandwich, so we provide them [our customers] a much cheaper sandwich and breakfast options. We try to keep our prices as low as possible because … we really try to focus on people who live in the neighborhood or work in the neighborhood, because they are our everyday customers. ” Another participant stated that he tries “to keep my pricing indexes where anyone can afford [it]”. While others identified their true product as the knowledge they provided their customers, and reported that their prices were reflective of that expertise. Seeing the different approach to pricing by retail sector was interesting. The food was reasonably priced because of competitor’s ability to purchase in bulk and cut costs, while consumer products varied. However, the owner’s ability to read the market provides an advantage a larger store may determine not of high enough profit to bother adapting too, allowing small business owners to survive off missed opportunities (Goodman & Remaud, 2015). One small business owner found the big box store in her retail sector could sell a particular product at a cheaper price point, so she decided to stop selling that product. The storeowner’s ability to pivot her strategy as a response to a big box store effectively allowed her to focus on her market, placing more emphasis in strategic areas the other store could not provide, thus drawing in more customers.

Some of the participants decided to purchase the buildings that housed their businesses rather than renting. Building owner participants found the purchase to be a strategic advantage. One participant noted that purchasing the building provided him flexibility to be responsive to competitors, as he had to ability to engage in sales given lower overhead costs than the competitors may have. Another storeowner stated that had she not purchased the building years ago, she would not be able to afford to rent in the neighborhood. She also stated that it gave her flexibility in meeting sales because she could "putter along at the same rate. And of course, my rent is the same". Through the purchase of their buildings, many small business owners can thwart rising rent costs and keep prices low.

Customer acquisition. Due to small business owners' proximity to their customers, they can understand the needs of customers and adapt business practices to fill the gap. One small business owner reported that their customers enjoyed the speed that his business provided as opposed to competitors. In addition to speed, the business owner's knowledge of the product can be an invaluable tool. One of the participants has customers travel from hours away to purchase from him based on his knowledge of the product. Lastly, one participant discussed how the importance of showrooming enticed people to come into her store to discuss and feel the product, as opposed to purchasing online. The general theme found throughout the acquisition of customers was the *human touch* approach where consumers come in, speak with a product expert, and feel they can trust the product. She reported that her strategy was "just being available [to customers]". The human touch approach can help each of the small business owners effectively compete against market giants, such as Amazon, Whole Foods, Harris Teeter, and various large chain restaurants and sporting goods stores. Through the ability to compete and persevere, the small business owners do not fear competitors but instead have identified and achieved a niche market in which they thrive.

Theme 2: Non-Traditional Strategies

The shopkeeper mentality and neighborhood engagement strategies are non-traditional – in the sense that there is no direct tie between cost and benefit. However, the participants in this study reported that their connection to the neighborhood through human touch and local employment is pivotal in keeping their doors open. The local community connection is also critical in supporting storeowners' traditional strategy, as word of mouth advertising assists in maintaining and growing the customer base which can support the current pricing structure.

Shopkeeper mentality. One of the business owners identified and defined the term *shopkeeper* within an interview and subsequently most of the other participants, in one form or another, validated this strategy throughout the data collection phase. The shopkeeper, as defined in this study, is someone who owns a store and makes enough profit to keep the doors open and sustain a lifestyle. A shopkeeper is not concerned with exploding profit margins and rapid expansion but instead wants to make a meaningful impact in their local neighborhood. The shopkeeper also finds enjoyment in providing a quality service to others, using a hands-on approach with customers, and creating a familial environment that is inviting and welcoming.

Where customers are king, the shopkeeper builds loyalty and trust with their customers. Multiple participants reported their relationships with customers as crucial and mutually beneficial. Due to their tenure in the neighborhood and the relationships built, multiple store owners allowed customers to pay later if they were short on cash, stayed open late to accommodate a last minute need, or provided additional knowledge even on products not purchased from them. As a result, small business owners were intent on building a relationship with the local community regardless of the financial exchange.

The business owners did not seem intimidated by competitors but instead felt the products they offered were so unique or diversified that their clients would stay with them. The effort small business owners have put into their business coupled with the passion in which they believe in their product/service has created a niche-like bubble. Although this niche-like bubble is not impenetrable, the small business owners within this study have created barriers allowing for profitability.

Neighborhood engagement. Participants reported that their connection to the neighborhood has been beneficial to their success. Not only were neighborhood individuals potential customers but also potential employees. Most of the business owners preferred to employ locally as a way to give back to the community. Some business owners also reported employing from within the neighborhood meant they would be able to educate those closest to them on how to run a successful business. Anther perk was that small business owners had employees close by in the case of an emergency. A majority of the business owners either lived in the same building as the business or within the local vicinity, making their connection to the neighborhood that much closer. Participants noted that the connection to the neighborhood created a bond critical to the success of the business. One participant stated, “If they did right by the customer, the customer would do right by them”.

One owner reported that for other small business owners, a large majority of their business should come from the local area. One participant noted, “What makes a neighborhood business successful, [is] if you're getting 60% of your traffic [from] in the neighborhood”. They went on to state small business owners should understand the products and services needed in the local area as opposed to having products specifically for customers located farther away. Other participants echoed that sentiment stating their largest customer base was those who live and work in the neighborhood, noting a small amount of business comes from outside the neighborhood.

In response to the small business owners’ approach of focusing locally, the residents of the neighborhood champion for the small businesses. One small business owner cited when a large competitor tried to enter the neighborhood, residents lobbied against the entrance and the business was not able to move into the neighborhood. The resistance to the name brand competitor was independent of the small business owners’ involvement and showed that residents in the neighborhood preferred to shop locally. The participant stated that “the neighborhood [residents] were worried what was going to happen to small businesses like ours, it’s [the big box store] gonna slow it down and maybe even close shop. Because of that I guess there was a push against them coming in.” Newman and Kane (2014) identified consumers would advocate and prefer to shop at local small businesses as opposed to large chain stores, and such was the case in Adams Morgan and Congress Heights. The effectiveness of neighborhood engagement is instrumental in keeping small businesses in a neighborhood, and it is the responsibility of the small business' to provide quality goods and services to the people of that neighborhood.

Themes Tied to the Conceptual Framework

The foundation of the resource-based theory is the identification of the organization's internal assets to gain a strategic advantage in the marketplace (Barney, 1991). The non-traditional theme of the shopkeeper mentality and neighborhood engagement strategies are intrinsic characteristics of the small business owners themselves and how they connect with customers. The unique mixture of dedication, hard work, loyalty, and customer appreciation are unique to each business owner, and every owner displays the skill mixture in their way. Small business owners' ability to continuously bring old customers back and entice new customers to purchase is a valuable, rare, inimitable, and nonsubstitutable skill, conducted in a manner consistent with the owner's personality. The genuine ability to connect with customers and build a relationship has assisted in staying profitable during a time of gentrification.

The pricing, advertising, and customer acquisition strategies are representative of a storeowner adjusting their internal strategy in response to external forces, namely competitors. The five forces framework assists in the identification of external forces that will affect a business and allows the owner to optimize their strategy as a result. The small business owners' interviewed used pricing, advertising and customer acquisition as a way to thwart competitors, either through emphasizing the ability to touch the product, keeping prices competitive, or becoming a product expert. External forces can impose challenges on the small business owner and should be identified early and accounted for within the strategy. Because of the study, I found most of the small business owners have prepared to overcome or navigate around outside forces to stay profitable during gentrification.

Applications to Professional Practice

The findings from this study are critical for all small business owners to assist in staying profitable. Collectively, the participants of this study have over 80 years of reliable and profitable strategies. These findings, although simplistic in nature, represent the quintessential skills necessary to stay in business, and to thrive in the community. Many times, new business owners seek inventive and creative approaches to gain customers, while the results of this study show business sustainability based in ambition, honesty, reliability, passion, hard work, and good intent.

Small business owners can use this study as a blueprint on how to treat customers and build community ties within the neighborhoods they serve. The study provides a different viewpoint of business success where impact to the surrounding community is greater than store expansion. While this study provides the key essentials to maintaining a customer base and making an impact in the community to create profitability, especially during times of gentrification, previous literature focused primarily on the opening of businesses and significant profitability growth. Small business owners should use this study as a navigation and benchmark to staying responsive to the intent of why the small business owner opened and the consumer to which it provides services.

Implications for Social Change

I previously identified the implications for positive social change from this study to keep small business owners profitable during gentrification, encourage entrepreneurship, employ residents, and retain the authentic culture of the neighborhood. The results of the study provide the strategies current small business owners have used to sustain a transitioning neighborhood, not just a gentrifying one. I also found small business owners not only want to, but also aim to, hire from within the neighborhood with a large intent to educate their employees on the importance of small business and customer care.

A benefit of this study was the ability to interview long-standing business owners in two neighborhoods who could explain the evolution of the neighborhood and provide context to the authenticity of the area. Each neighborhood has transitioned in a different way than the other, with both negative issues and positive experiences. The most valuable knowledge transfer from the small business owners were the qualities they used to describe their successfulness in business: hard work, dedication, honesty, passion, and relentlessness. These five characteristics are available to any individual who would like to start their own business and are free assets to acquire. Although the qualities themselves do not guarantee profitability during retail gentrification, the small business owners I interviewed have shown the five qualities of hard work, dedication, honesty, passion, and relentlessness are successful and time-tested.

Recommendations for Action

Although data collection occurred in the Washington D.C. area, the study results apply to any small business owner. Small business owners should utilize these themes to bolster and strengthen their individual strategies. Each participant in the study provided different services with different backgrounds and was in business for varying lengths of time; however, each brought some of the same qualities and skills to the study to form a collaborative approach to business. As a result, this study should be of use to any small business owner interested in increasing business longevity.

The five strategies identified in this study include advertising, pricing, customer acquisition, shopkeeper mentality, and neighborhood engagement. Recommendations for action to stay profitable during a time of gentrification:

1. Small business owners should understand how their product or service offerings are different from others and capitalize on the differentiation. Differentiation can occur through improved product offerings, a product mix responsive to consumers, or exclusive business owner knowledge.
2. Small business owners should place emphasis on a superior customer experience, focusing on customer interactions and needs. Through the customer relationships, expansion may occur naturally through word of mouth.
3. Small business owners should connect with the local community and create a communication channel in which customers feel united with the individual storeowner and are willing to protect small businesses against big box store entrants in the neighborhood.

I will publish the study through ProQuest and provide the findings to the participants. I will also disseminate the results to the government agencies that assisted me throughout this study, the Department of Small and Local Business Development and the D.C. Department of Consumer and Regulatory Affairs, as they are touch points within the small business community. I would also like to provide the results to the local neighborhood committees, specifically Ward 1 and 8, Adams Morgan and Congress Heights respectfully. Due to the phenomenon of gentrification sweeping across countries, this study is easily transferable to any small business owner. This study will increase the amount of research conducted on the impact of gentrification on the strategies of small business owners.

Recommendations for Further Research

After the completion of this study, recommendations for further research would include better understanding between the local government and small businesses, local customer impact to business profitability, the changing mindset of business owners based on tenure, and the decision factors utilized by developers to identify properties. The local government may negatively affect small businesses causing a decline in small business success rates. One participant noted the local D.C. government was making success harder and noted a larger margin of profit was necessary to break even based upon new or existing legislation. I also discovered the local government might act counterintuitively to small businesses, not realizing the impact of legislative decisions. For instance, one small business owner noted implementation of environmentally friendly packaging products increased the operating costs to the business owner.

Another area of research would be to measure the impact local customers have on small business owners' profitability. Throughout my research, the impact of shopping and employing locally came up repeatedly. Small business owners reported that their primary customers were those living and working in the neighborhood, and a large majority of the sales and employment occurred within a few blocks of the store. Based upon the owners' need of the local customers to stay profitable, additional quantitative research into local community's buying power would assist in understanding the direct impact of *shopping small*.

The third recommendation for research would be to compare and contrast the mindset of business of tenured business owners (15+ years) and new owners (2 years and below) to see how perceptions of small business may change. Although not within the limitation of this study, I interviewed a small business owner who had been in business almost two years and had a different view of gentrification then those who had been in the neighborhood longer. Additional research should be conducted around the varied views of business and determine if the time in business changes the long-term operational business views.

The last area of potential research would be to identify the factors that developers use to determine an area for development. This study has presented a general identification that asset divestiture within an area can create an area ripe for gentrification, but the identification of actual weighted factors may provide neighborhood groups and small business owners with information to disarm the rapid change of a neighborhood. This research could provide actionable information to assist neighborhoods in creating a potential strategy to resist gentrification.

I identified three limitations that might have occurred in this study: a limited sample of small business owners, the phenomenon of gentrification not yet occurring, and the uniqueness of each business owner creating their niche market. I was able to address the potentially limited sample of business owners by meeting with each prospective participant in person. I found they were excited to put a face to a cause and were more than happy to help. Upon agreeing to participate, they provided me additional names of storeowners who fit the criteria and who may be interested in participating in the study. The second limitation of gentrification not yet affecting small business owners did not occur. I circumvented this limitation through the identification of small business owners within the gentrified-recognized neighborhoods. All participants were aware of gentrification and identified ways in which it affected them. Lastly, the assumption that each business owner was unique and thus created a niche market was false. None of the business owners that participated in the study sold a good or service that was brand new to the market and therefore was not unique. I later identified that the small business strategies of multiple fronts assisted in creating a niche approach to profitability.

Reflections

Before reaching out to participants, I thought storeowners would be hesitant and resistant to speak with me concerning the research topic. Because of this assumption, I decided to approach participants in person as opposed to sending an email as I thought saying no would be harder in person. This tactic worked, and as a result, many small business owners consented to participate. One small business owner stated she normally did not participate in studies, but because of my passion opted to participate. That small business owner was able to put me in contact with other small business owners in the area she knew would speak with me. Because of the initial interaction, I was able to interview long-time owners that provided me with a wealth of information.

Another outcome of the study that I did not anticipate was the language barrier between some of the storeowners and myself. Most of my interactions with storeowners or their employees were difficult due to language barriers, and as a result, some small business owners declined to participate because they did not feel they could adequately express themselves in English. Although they wanted to help, participating would have been difficult and stressful for them; therefore, I thanked them for their time and let them know I understood.

Another surprise I found during data collection was that some of the small business owners had sold their stores, and the new owners retained the names due to neighborhood familiarity. Although a smart business move, the changing of owners while keeping the same business name proved difficult for me as I selected stores based on their length in the neighborhood, only to find out the new owners had only been in business for two years. I did not anticipate the business switching hands and thus lost a good deal of time identifying, outside of public record, which business owners to approach.

Conclusion

A consistent theme throughout this study has been the integration of the small business owner and the surrounding neighborhood. The results of this study show a symbiotic relationship between storeowners' commitment to the neighborhood and residents' support as a critical component for success. Through the storeowners' act of hiring locally and immediately responding to customers need, residents are more connected to the small business and may feel a responsibility for the livelihood of the business. This crucial relationship was dominant in each interview and was the foundation for the neighborhood engagement and shopkeeper mentality strategies. Small business owners should understand that they do not sit independent of the neighborhood but instead are a critical component and should include the interdependence of the relationship in their business approach.

The five strategies of pricing, advertising, customer acquisition, shopkeeper mentality, and neighborhood engagement are pivotal to the success of a small business. As a result of the interviews, I found small business owners should price their goods and services commensurate with the marketplace. Upon the achievement of a niche market, small business owners can increase prices to meet the level of expertise and knowledge that the owner or employees bring to the product or service. The use of informal advertising was also dominant in this study identifying that small business owners must create great customer experiences and look to the local market to forecast consumer needs. Through customer experience and responsiveness, small business owners can use a human touch approach to acquiring additional customers. The neighborhood engagement strategy can assist small business owners in creating formalized approaches to staying active within the community as opposed to insisting engagement will occur organically, while the shopkeeper mentality strategy focuses on a genuine commitment to the customer.

The study results provide small business owners with a set of tools for profitability during a time of gentrification. Through the effective use of traditional and non-traditional strategies, small business owners can create a niche market in which profitability can occur. The identified strategies encourage communication exchange, proactively giving back, following through on promises, and putting in hard work and dedication, as a means of profitability during a time of transition. Each business owner I interviewed did not identify their time in business as easy or without challenge but instead found they loved what they were doing and they loved to provide the product or service to others. I found the small business owners' connection to their customers assisted them in staying profitable even during a time of gentrification.

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Appendix: Interview Protocol

1. I will explain the purpose and benefits of the study to the participant to ensure they understand why they were selected to participate and the study's social and business implications.
2. I will have the participant sign the consent form, ensuring confidentiality.
3. I will assign each participant a code prior to the interview commencing.
4. I will ask the participant semi structured interview questions, as well as, probing questions if deemed necessary.
5. I will record observations and notes throughout the entire interview process.
6. I will thank the participant for their time and let them know I will follow up if they choose to receive a copy of the study at completion.