

A Qualitative Study of Small Businesses Merchandising Strategies in Rural Minnesota*

Jacqueline Parr

University of Minnesota

Spring 2021 College of Design Research Showcase

*The results of this research was recently accepted for publication in *Journal of Human Science and Extension* July 2021 issue



Rural Retailing

- Retail Apocalypse
- Locally owned businesses struggling to compete
- Businesses essential to local economy
- Disadvantage:
 - geographic isolation
 - restricted population segments
 - increased competition with online retailers
 - uncomplimentary cost structures
- Online shopping

The background features several sets of concentric, curved lines in the top-left and bottom-right corners. Some lines are solid, while others are dashed, creating a sense of motion or a circular path.

Research Question

How do rural retailers' merchandise
and market products?

The background features several concentric, curved lines in shades of gray, some solid and some dashed, creating a sense of motion and depth. A blue speech bubble shape is positioned on the left side of the slide.

Objective

Provide in-depth understanding of the rural small retailer's self-evaluation of the business environment, merchandising strategies, challenges, and opportunities.

Methods



Qualitative



8 interviews with store owners from
Kandiyohi County, MN.



In-store during normal business hours



Grounded Theory



Open Coding Used

Demographics

Diverse group of small business owners from rural county in Minnesota (n=8)

- Individual and Family Owned
- men and women's apparel, home décor, second-hand merchandise, floral, and guns.

Length of Business=2+ years

Total Locations=less than 2

Themes Recap

Localism

Experiential Retailing

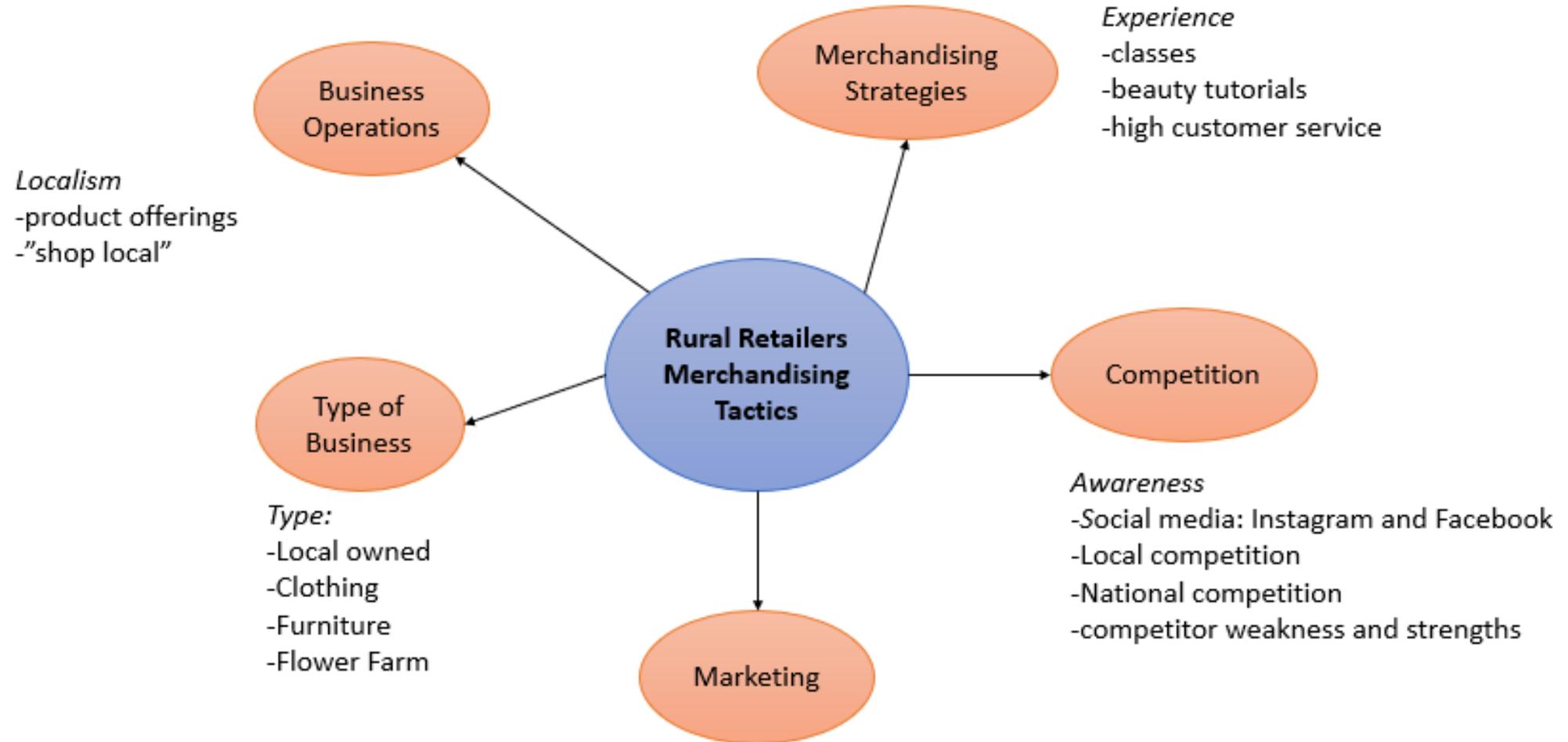
Niche Market

Awareness

Marketing Strategies



Concept Map



Localism



Offering unique, local products encourages consumers to shop local



helps boost the local economy by bringing money back to the community



promote a cleaner environment

Experiential Retailing



Stand out from competition



Added Profit



Elevates their shopping
experience and strategically
positions the retailer.

Niche Market



Unique product offering



Superior Quality



Big-box retailers not identified
as a threat

Awareness



Stay informed about current trends and gain ideas about how to grow their businesses.



Competition



Find inspiration through this learned knowledge, which could then be strategically implemented into their future business strategies



What are we doing better?

Marketing Strategies



Social Media: Facebook and Instagram



Word-of-Mouth



Traditional Marketing



Use of third-party platforms

Implications/Best practices

- Creation of tailored retail assistanceship programs within the community
- Connection to Chamber of Commerce and Economic Development Commission Office
- One-on-one individualized technical assistance

Limitations

- 1 small county in the USA
- Interviews conducted in store
 - Creates added interruptions
 - Does provide observation opportunities
- Collaboration with Extension office
 - High level of theoretical foundation

References

- Ciuchta, M., & O'toole, J. (2018). Buy Local? Organizational Identity in the Localism Movement. *Business & Society*, 57(7), 1481-1497.
- Kelly, L. & Booth, C. (2004). Awareness of competition. In Dictionary of strategy: Strategic management a-z (pp. 9-10). Thousand Oaks, CA: SAGE Publications, Inc. doi: 10.4135/9781452229805.n45
- Kurland, N. B., McCaffrey, S. J., & Hill, D. H. (2013). The localism movement: Shared and emergent values. *Journal of Environmental Sustainability*, 2(2), Article 6.