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

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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
How do rural retailers' merchandise and market products?
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
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
Localism
- product offerings
- "shop local"

Type of Business
Type:
- Local owned
- Clothing
- Furniture
- Flower Farm

Experience
- classes
- beauty tutorials
- high customer service

Awareness
- Social media: Instagram and Facebook
- Local competition
- National competition
- Competitor weakness and strengths
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

