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Keywords

social media, small businesses, marketing, rural communities

Disciplines

Business Administration, Management, and Operations | Community-Based Research | Demography, Population, and Ecology | Entrepreneurial and Small Business Operations | Family, Life Course, and Society | Marketing | Social Media

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Introduction

Small businesses play a significant role in the sustainability of rural communities by adding new jobs, generating income, and improving life quality for residents (Memili, Fang, Chrisman, & De Massis, 2015). Small retailers (stores, service businesses, and restaurants) comprise a majority of all rural businesses and drive community economic activity. However, rural retailers are challenged by physical distance between consumers and suppliers, small market size, lack of skilled labor and capital, and technology integration (He, Wang, Chen, & Zha, 2017; Ring, Peredo, & Chrisman, 2009).

To address these operational challenges, scholars have suggested that social media (i.e., blogs, discussion boards, social network websites) (Mangold & Faulds, 2009) can help in the development of information networks between retailers, consumers, and suppliers (Braun, 2002; He et al., 2017). Network associations can enhance the formation of social capital, a resource that evolves through interactions and relationships with others (Tsai & Ghoshal, 1998). Social capital, in turn, can increase reciprocal behaviors between small businesses and their stakeholder groups (e.g., customers, suppliers).

Small rural retailers can build social capital through expansion of their formal and informal business networks (Stam, Arzlanian, & Elfring, 2014). Therefore, networks developed through social media use can provide rural enterprises with access to new and unique competitive knowledge and product and customer information and can strengthen support for local businesses (Townsend, Wallace, Smart, & Norman, 2016). In addition to benefits relating to the development of customer and network relationships, social media use can decrease marketing costs, increase access to customer information, and improve the productivity of small rural firms (Stam et al., 2014; Wu & Leung, 2005). In the context of small rural businesses, social media also can aid in development of social capital through reach to customers, brand building, management of brand reputation and trust, niche marketing, and gathering of valuable market and network information (Cornelisse et al, 2011; Sanders, Galloway, & Bensemman, 2014).

Despite the obvious benefits, a limited number of rural retailers have fully embraced social media (Bakeman & Hanson, 2012), and many lack the technical skills and knowledge needed to implement it. Extension professionals serve as accessible and visible business assistance resources in rural areas. Those involved with Extension-funded business outreach programs, such as the Iowa Retail Initiative, have reported social media marketing and related technical skills to be among the greatest areas of need for small rural retail operations (Burke, 2013). Social media is important to Extension outreach efforts and to the clients served (Gharis, Bardon, Evans, Hubbard, & Taylor, 2014). However, there has been little research (Cornelisse et al., 2011; O'Neill, Zumwalt, & Bechman, 2011) on the use of social media by small rural retailers and the kinds of support these retailers need from Extension professionals to fully implement such technology in their business strategies.

Purpose and Research Questions

In view of the benefits social media use can generate for small rural retailers with regard to sales, marketing, customer retention, and business sustainability, we examined such retailers' use of social media and the role of social media in development of business information networks. The following research questions were addressed from the perspective of rural retail business owners: (a) What attitudes do rural retailers hold regarding the use of social media in their businesses? (b) What are the network and business benefits of social media use for rural retailers? (c) What are the perceived barriers to social media use for rural retailers, and what types of support are needed to effectively implement it? Our findings provide direction for Extension programming that can facilitate small rural retailers' application of social media and enhance their business competitiveness.

Method

We conducted focus group interviews with owners of 14 small rural retail businesses (i.e., apparel stores, restaurants, bed-and-breakfasts) in three rural Iowa communities, with assistance from Extension directors, local chambers of commerce, and community leaders. We identified communities with populations of 20,000 or less from various regions of the state, guided by Beale rural/urban codes (U.S. Department of Agriculture, Economic Research Service, 2013). Our intent was to explore barriers to using social media in addition to conducting an assessment of actual social media use. Therefore, the sample included individuals who were and were not using social

media in their businesses. The types of social media platforms considered in the study included social networking sites, search engines, and so on (see Table 1 for details). We telephoned each business owner to schedule a feasible day and time for focus group participation. The small sample size ($n = 14$; first interview $n = 6$, second interview $n = 3$, third interview $n = 5$) enabled us to perform in-depth analysis to identify individual and collective rural retailer perceptions (Charmaz, 2005). Structured open-ended questions allowed for facilitated discussion and encouraged free and unconstrained conversations. Audio recordings of the three focus group interviews were transcribed into written form for data analysis. We applied a thematic analysis technique (Guest, MacQueen, & Namey, 2012) to assess rural retailers' social media use and associated benefits, barriers, and needs. The participants were primarily female (71.4%) and between 37 and 63 years of age (78.7%). The average length of time in business was approximately 16 years.

Table 1.
Types of Social Media and Platforms

Social media type	Social media platform(s)
Social networking site	Facebook, Google+, LinkedIn, Twitter
Search engine	Google, Yahoo
Online video sharing site	YouTube
Photo sharing site	Instagram, Pinterest
Review site/discussion forum	TripAdvisor, yellow pages, Yelp
Contact list	Cell phone message, email
E-commerce site	Amazon, eBay, Etsy
Blog	Microblogs, personal blogger websites

Findings

Attitudes Toward Social Media Use

Our findings indicated that rural retailers held positive attitudes toward social media use for their businesses. They recognized social media as a crucial element for retaining and attracting customers of all ages. Rural retailers also perceived social media to be an easy and inexpensive tool for promoting products or services to new and current customers. Because their stakeholders (i.e., suppliers, manufacturers, customers) and competitors were using social media, rural retailers also experienced pressure to incorporate these technologies into their marketing practices. Rural retailers in the study acknowledged the benefits of integrating social media into their business strategies and the need to do so.

Network and Business Benefits of Social Media Use

Twelve of the 14 participants (86%) used at least one type of social media (see Table 1) for marketing and sales to realize benefits such as

- increasing sales through the promotion and selling of products and services;

- attracting new customers and driving them to visit the brick-and-mortar location;
- advertising products, events, store brand name, and location, in combination with advertising through traditional media (flyers, local newspaper/radio advertisements); and
- building networks and relationships with customers and business stakeholders.

This finding reveals that the small rural retailers had expanded, to some extent, their informal and formal business networks through social media use. For example, they interacted with customers through social networking sites such as Facebook and Twitter. These networks, along with their customers' networks, allowed for reach to new customers and sharing of business and product information. In turn, networks appear to have facilitated growth of social capital through information sharing, reciprocal and supportive behaviors (e.g., liking, recommending, posting positive reviews), and relationship development. In addition, participants described many benefits related to interacting with business stakeholders through social media networks. These networks helped them obtain resources for creating promotional content and decreased costs associated with social media marketing activities. Also, networks helped the rural retailers monitor trends and increase competitiveness in their respective business sectors.

Barriers to Social Media Use

Despite using social media, participants reported low satisfaction with and limited integration of the technologies. Most participants used social media only for personal communication with customers and did not fully consider its use within an overall set of business strategies. Barriers related to social media use for sales and marketing included

- lack of knowledge concerning how to administer social media and address policies,
- lack of educational opportunities for learning about social media,
- lack of time and other resources needed to manage social media, and
- lack of knowledge of tracking methods that could be used to confirm benefits and outcomes of social media use.

The rural retailers in the study lacked general knowledge of social media; they learned through trial and error. Most were pushed toward using social media in their businesses without support resources (e.g., classes, workshops) regarding content development. Because participants began to use social media through personal use, they struggled with transitioning to business applications, such as developing and updating content, responding to bad reviews, and analyzing social media actions of competitors. Also, participants expressed concerns about violating online policies of copyrights and sharing of personal information through social media. In addition, many identified time, human, and financial resource constraints related to social media use but still viewed social media use as an inexpensive way to promote their products and services. Additionally, the rural retailers were hesitant about investing the resources required to incorporate social media into their

business strategies, given their concern about unknown outcomes and lack of knowledge and tools for measuring the effectiveness of doing such.

Discussion and Implications

The exploratory research we conducted was designed to provide an understanding of how small retail businesses in rural communities can better use social media to enhance their marketing, sales, and business sustainability. Social media not only brings many directly observable benefits (e.g., increased sales and customers) but also creates indirect effects through network development, such as social capital formation, customer patronage, and community support. Social capital enables relationships to develop between small retailers and their customers and suppliers and provides valuable business information, thus fostering competitiveness.

Our findings reveal that small rural retail businesses are beginning to adopt social media for the purposes of building relationships with customers and promoting products and services. On the other hand, they are doubtful about the financial returns of social media marketing and its potential effectiveness on sales. Small rural retailers generally lack the human and financial resources needed to effectively incorporate social media in overall marketing and sales strategies; their use of social media instead tends to be an extension of personal use. Rural retailers would benefit from training on not only basic functional aspects of social media but also approaches for developing an overall social media strategy and specific ways of integrating it into their business and marketing efforts. Social media should be viewed as part of a small rural retailer's overarching strategic approach and an essential aspect of doing business in today's multichannel marketplace.

Many rural retailers have learned about social media through informal means and in response to local customer requests. Consequently, opportunities exist for Extension to provide social media training and educational programs to support small business performance, growth, and sustainability, while taking into consideration rural retailers' limited time and financial constraints. Social media are a necessary and increasingly used communication and distribution channel for both Extension professionals engaged in program delivery (Gharis et al., 2014) and Extension clients (in this case, rural businesses). In this sense, Extension is uniquely positioned to both model social media use and educate small rural retailers regarding social media practices via outreach efforts and specifically tailored program content. We also suggest that Extension professionals develop different types of educational products (e.g., short webinars, videos, educational modules) that fit the time, needs, and social media skills of rural business owners. Furthermore, Extension can provide policy support regarding the expansion of quality, reasonably priced high-speed Internet to rural communities and businesses, essential infrastructure needed to fully implement social media for business purposes (Brake, 2017; Burrell, 2018).

Extension's primary purpose is to deliver timely and relevant resources to its constituents (Seger, 2011). Also, Extension professionals need to stay informed on current and emerging market trends (e.g., trends related to Internet and social media use) to be able to convey to clients how such forces may affect their businesses (Guenthner & Swan, 2011; Hardesty, 2011). Rural communities are a significant constituency served by Extension. Modeling social media applications through Extension tool kits, disseminating how-to content, and hosting programs will provide assistance to rural retailers in need of competitive options. Future research should address success factors

related to the adoption of social media by small rural retailers, specific types of social media to use for targeting and attracting customers, and the effectiveness of social media use in developing information and social networks beneficial to rural businesses.

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