Bridging the Gap between Entrepreneurship Education and Small Rural Businesses: An Experiential Service-Learning Approach

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Abstract
This paper provides theory-based practical applications and concepts underlying the development of experiential service-learning projects for university students majoring in retailing and hospitality management. The goal of the service-learning projects was to enhance students’ entrepreneurial identity and entrepreneurial management competencies through the development of comprehensive business sustainability plans and makeovers that integrate competitive, brand-building, and experiential marketing strategies for small rural businesses in the Main Street program. The service-learning projects were also designed to enhance student entrepreneurial self-efficacy, create awareness of opportunities in rural communities, and improve the entrepreneurial performance of rural businesses. Assessments of the service-learning projects confirmed their success in enhancing (a) students’ entrepreneurial competencies and (b) competitiveness, brand image, and attractiveness of the local business sector. Keywords: experiential service-learning, entrepreneurs, entrepreneurial performance, rural businesses, rural communities

INTRODUCTION
Although small business management and entrepreneurship has traditionally been the domain of university business schools, the intense interest has led non-business programs to increasingly focus on entrepreneurship education (Johnson, Craig, & Hildebrand, 2006). In support of a university-wide approach, Morris, Kuratko, and Cornwall (2013) maintain that entrepreneurship subject matter and entrepreneurial thinking have important implications for literally all disciplines. Educators in the Human Sciences/Family and Consumer Sciences-related disciplines (e.g., retail merchandising and management, hospitality management, and related creative industries such as fashion and event management) recognize the need to include management and entrepreneurship training in preparation of the 21st century workforce (Niehm, Gregoire, & Austin, 2005; Carey & Matlay, 2010; Stanforth & Muske, 1999). These disciplines provide ample business ownership and management opportunities for aspiring entrepreneurs in product and service areas, such as retail stores, restaurants, apparel and interior design firms, and consulting practices. Considering that an entrepreneurial mindset is a component of a skill set increasingly in demand within the retailing, hospitality, and creative industries (Carey & Matlay, 2010), it is imperative that curricula include development of such knowledge and skills that will prepare majors to meet the challenges presented by the contemporary job market. In response, an experiential service-learning approach (Ash, 2003; Kolb, 1984; Shinnar & Young, 2003) was used to fortify students’ knowledge and skills related to entrepreneurship and small business management. An experiential service-learning approach fosters student learning through application of entrepreneurship, marketing, and management concepts and competencies in a real world setting, which requires critical thinking and creativity to balance perspectives of multiple constituents and to optimize limited resources (McCrea, 2009). Accordingly, the experiential service-learning project presented in this paper bridges several gaps in entrepreneurship education. Following suggestions by Carland and Carland (2010), effective entrepreneurship education requires an interactive pedagogy that provides student-centered and action oriented projects. Summers (2003) concurs that successful entrepreneurship programs provide skill development through a variety of hands-on learning activities, consulting experiences, simulations, and mentoring. He additionally offers that entrepreneurship education is highly effective when it can be meshed with real-world needs and events of individuals and communities. The present project answers this call by developing a learning model aimed at building entrepreneurial management competencies and enhancing student awareness of entrepreneurship opportunities in rural communities.

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BRIDGING THE GAP BETWEEN ENTREPRENEURSHIP EDUCATION AND SMALL RURAL BUSINESSES: AN EXPERIENTIAL SERVICE-LEARNING APPROACH

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and sustainability of resource constrained small rural firms through service-learning and business assistance.

Partnering with Small Rural Businesses to Enhance Students’ Service-Learning

Small businesses comprise a majority of rural firms, accounting for nearly two-thirds of all establishments ("Rural Employment," 2006). Nationally, the number of small, independently owned businesses is substantial, accounting for 99.7% of all employer firms. Together these small businesses have generated 64% of all new private sector jobs in the past decade, and pay 43% of the total U.S. private payroll ("Small Business Advocate," 2012). McCray (2011) noted a variety of factors enhancing rural business opportunities (e.g., growing shop local programs, strong farm commodity prices, and growth in on-line business development). Small rural businesses in the service industries, including retailing, accommodations, amusement, and recreation have demonstrated particular strength. Such businesses contribute to the socio-economic fabric of a community and help create the “critical mass” needed to draw visitors to a destination (Richards, 2001). Small businesses, such as retail and hospitality firms, “provide many of the services needed by local residents and perhaps most importantly, they add to the personality and charm that characterize Main Street economies” (Henderson, 2002, p. 49). In particular, these small businesses play a crucial role in rural communities, as they are the glue that binds together innovation and Main Street activities (McCray, 2011). In addition, such small businesses bring community leadership and economic vitality to rural communities through shopping, entertainment, services, and tourism. The revenue generated from rural retail and tourism is significant, and abundant opportunities exist in these sectors for small business owners ("Rural Tourism," 2009).

However, small businesses face challenges due to escalating competition from discount retailers, franchises, and regional shopping/dining centers along with broader economic events (i.e., government budget cuts, economic uncertainty, tightened business financing, and population shifts) (McCray, 2011). They also frequently lack business assistance due to their remote location and proximity to business development centers. Together these factors create heightened need for new products, services, and strategies for small firms. Developing entrepreneurial responses to these challenges are key ways for independent rural businesses to develop and sustain a competitive advantage. In
general, successful small businesses have demonstrated entrepreneurial qualities such as vision, innovation, opportunity recognition, a passion for change, exceptional staffing, extraordinary service, and uncompromising management standards (Henderson, 2002; Morris, 1998). Thus, a strong need exists for small business programming and educational efforts to aid entrepreneurs in navigating the small business arena, particularly in the rural marketplace.

To innovate, entrepreneurs may integrate experiential marketing strategies, which can result in enhanced performance and competitive advantages for their firms, while fostering community economic sustainability, more choice, and enhanced life quality for consumers. However, rural entrepreneurs may not be aware of relatively new, value-creating approaches such as experience economy strategies (Pine & Gilmore, 1999) due to limited access to economic development units, business organizations, colleges and universities, small business consultants, support networks, and entrepreneurial role models (Muske & Stanforth, 2000).

Adding a service-learning component that focuses on value-creating experiential marketing strategies for retail merchandising and hospitality management courses may better prepare and build the entrepreneurial identity of students—the next generation of small business entrepreneurs—and educate existing small business operators (i.e., owner/manager). To accomplish both goals, our experiential service-learning project operationalized entrepreneurial management practices, with students and business owners coordinating on the planning, organizing, leading, and monitoring of actual implementation of new experiential marketing strategies for small rural businesses.

Working with current business owners provided mentors and exemplars for students related to entrepreneurial management practices. This service-learning effort, which started in 2004 and has been offered consistently since, involves the orchestration of multi-course projects to help entrepreneurs integrate enhanced competitive, managerial, and experiential strategies through “business sustainability plans” (i.e., detailed plans outlining incremental enhancements, financial costs, and benefits to the business) and physical makeovers of small rural retail and hospitality firms. The physical metamorphosis involved students leading a makeover of the business, which was accomplished within a few days, hence the name, Makeover Marathon, although student planning, organizing, leading, and monitoring of the makeover were carried out across the semester. The firms were located in communities participating in our state’s Main Street Program. There are 43 states with a Main Street Program, which provides
business marketing and management, preservation, and design assistance to member communities (“Main Street,” n.d.).

We are not the first to take retail and hospitality students to interact with and advise small rural business owners in service-learning projects, but our experiential approach is unique in comparison to other retail merchandising and management outreach projects (e.g., Park, 2004; Park, Kim, Park, Ku, & Choo, 2003) as it (a) promoted development of students’ entrepreneurial management competencies (Stevenson, 1983; Stevenson & Jarillo, 1990), (b) focused on both small rural retail and hospitality firms, (c) incorporated collaboration with a state’s economic development agency, and (d) emphasized creation of experiential marketing value.

Service learning combines hands-on application of knowledge and service to the community (Ash, 2003; Kolb, 1984; Shinnar & Young, 2003). The present paper is framed by entrepreneurship, small business management, and experiential marketing literature, which provide the conceptual foundations for the projects. We also describe the evolution of our integrative service-learning projects and their impact on retail and hospitality students’ entrepreneurial identity and how they fostered a personal conception and sense of being entrepreneurial. The project also allowed for development of self-efficacy (Bandura, 1977, 1986) or belief in their entrepreneurial potential through the honing of entrepreneurial skills and capabilities, observing and interacting directly with rural entrepreneurs, and proposing and receiving feedback on business sustainability plans.

**Bridging the Gap for Students and Rural Businesses through an Experiential Service-Learning Approach**

**Rationale for a service-learning approach**

An experiential service-learning approach was selected for this project, as it appears to be an ideal way to expose students to real-world issues faced by rural entrepreneurs. Jacoby (1996) defined service-learning as “a form of experiential education in which students can engage in activities that address human and community needs together with structured opportunities intentionally designed to promote student learning and development” (p. 5). This viewpoint was supported by Govekar and Rishi (2007) who stated that service learning can “effectively engage students in the uncertainties, difficulties, and complexities of present-day management” (p. 4). Service-learning also allows opportunities for universities to engage with communities and for students to gain valuable career
insight (Gray, Ondaatje, Fricker, & Geschwind, 2000), two additional goals for the present project. We also adopted perspectives of service learning supported by McCarthy and Tucker (2002) and Jacoby (1996) who outlined three qualifying conditions for a service-learning experience: (a) that it be tied to course concepts and not just an added project, (b) that the executed project experience actually benefits a community, and (c) that time is allocated to allow for student reflection and connection of the service experience to their course knowledge. Mason and Arshed (2013) provide support for this pedagogical approach, offering that experiential learning is critical to effective entrepreneurial learning.

The project additionally incorporates essential components of effective entrepreneurship education as outlined by Kirby (2004), who suggested that students should: (a) be given ownership of their learning experience including resources, activities, and processes needed to meet set objectives, (b) be involved in real-world problem solving situations and in a team format if possible, (c) be encouraged to formulate managerial decisions even under situations of incomplete data, and (d) be provided with entrepreneurial role models who are involved in the learning and assessment process. Our service-learning approach also meets recommendations of Mwasalwiba (2010) who further suggested that entrepreneurship educators should rise to the challenge of developing teaching methods and learning experiences that align with their course objectives, relevant environments, and the type of students in their programs.

Program design: Pedagogical foundations of entrepreneurship education

Kuratko (2005) described entrepreneurship as a dynamic process of vision, change, and creation. Entrepreneurship entails identifying and managing resources in novel ways to create and implement new ideas and solutions that add value. In this regard, entrepreneurship is more than just the creation of a business, but also the way to manage a business. Both desire and necessity are fueling a passion for entrepreneurship among today’s young workers. Recent reports (Pofeldt, 2013) indicate that the number of people starting new ventures in the U.S. has reached an all-time high of 13% of all adults and 43% believe entrepreneurship to be a good employment opportunity. Further, over five million Americans under age 34 are pursuing entrepreneurial ventures (“Entrepreneurship Everywhere,” 2007). The prospect of being one’s own boss, financial rewards, and quality of life issues are driving an entrepreneurial identity and an observed increase in entrepreneurship especially among 18-34 year olds or millennials (Kiefer, 2004). More pragmatically, many younger workers may
anticipate the future need for self-employment as corporate employment opportunities become less certain.

Edgcomb, Klein, and Thetford (2007) suggested that the sustainability of entrepreneurial ventures involves the successful management of a set of financial and organizational factors. Entrepreneurship education can therefore be an important component of university-level professional programs, as it encourages comprehensive thinking and solutions to career, family, and work-life management issues. Meeting these challenges will require more emphasis on entrepreneurship in post-secondary schools (“On the Road,” 2007). Furthermore, scholars (Gibb & Cotton, 1998; Henry, Hill, & Leitch, 2005) have supported that entrepreneurship education and training programs provide students with the knowledge, skills, and experiences needed to manage increasing uncertainty and complexity in the global market (Morris et al., 2013).

Entrepreneurship education includes a focus on broad based skills and competencies (e.g., business knowledge, leadership, creativity, team work, strategy development, and awareness of personal attributes) that relate to small business startup and management (Bennett, 2006). Hirsch and Peters (1998) suggested that a quality entrepreneurship education should include the opportunity to develop skills and competencies in the following three categories: (a) technical skills (communication, technical skills relevant to one’s industry, organizing skills), (b) business management skills (e.g., planning, decision making, marketing, accounting), and (c) entrepreneurship specific skills (e.g., opportunity recognition, innovation, risk taking). The importance of management to the entrepreneurial skill set is emphasized by Muske and Stanforth (2000) who stated that as many as 60% of small businesses fail within five years because entrepreneurs lack essential management skills.

Plumly et al. (2008) pointed out that for entrepreneurship education to have maximum impact, students must also be exposed to an entrepreneurial experience. Entrepreneurship education is, therefore, a combination of cross-disciplinary, process-oriented approaches, and theory-based practical applications. It is thought to be most effective when students learn by doing and when instructors use an active, process-based approach to teaching course concepts (Sherman, Sebora, & Digman, 2008). This focus addresses Solomon’s (2007) quest for entrepreneurship pedagogy that meets the innovative and creative mindset of today’s students and Plaschka and Welch’s (1990) suggestion for real world, experience-based learning strategies in entrepreneurship education.
Lowden (2007) provides a framework of managerial competencies for entrepreneurs that include: planning, organizing, leading, and monitoring/controlling functions. This project draws from Lowden (2007) and from Stevenson and Jarillo’s (1990) opportunity-based perspective of entrepreneurial management in the development of the service-learning activities. For example, students were fully engaged in planning for the experiential service-learning experience, drawing from an initial needs assessment of the rural business client. The student teams were responsible for identifying areas of untapped market and customer opportunity for a rural small business, developing a sustainability plan, and organizing the implementation of a makeover project to improve business performance. Teams had to lead and monitor/control progress of the project implementation and budget and solicit feedback from business owners, community leaders, and faculty. Student teams were also responsible for proposing distinctive experiential strategies that would enhance the competitive advantage of the rural business. As Lowden (2007) suggested, it is critically important for entrepreneurs to concurrently develop managerial skills and competencies along with innovative capabilities. This point is further highlighted by Longenecker, Moore, Petty, and Palich (2006) who noted that small firms are most vulnerable to management inefficiencies, often due to financial and personnel resource constraints. They further offered that as a small firm grows, the need for management capabilities intensifies, emphasizing the importance of managerial know-how in the entrepreneurial skill set.

We referenced the seminal work of Morris (1998) and Morris, Kuratko and Cornwall (2013) to frame the entrepreneurial skills, Lowden (2007) for the managerial competencies, and Stevenson and Jarillo (1990) for the opportunity-based perspective of entrepreneurial management in these service-learning experiences with small rural businesses. This approach follows the call by Mwasalwiba (2010) for entrepreneurship education to be built on a foundation of common theoretical frameworks. Thus, the entrepreneurial management competency set for the service-learning projects included the following 11 entrepreneurial components (Morris, 1998): Building a plan for an innovative concept, creative problem solving, entrepreneurial processes, implementation of change, innovation, management of ambiguity and uncertainty, mitigating risk, opportunity evaluation, opportunity recognition, resource leveraging, and thinking and acting as a guerilla (see Table 1 for a full definition of each component). These entrepreneurial competencies, in addition to Lowden’s (2007) general management competencies (planning, organizing, leading, and
monitoring/controlling), will be addressed in the section on operational elements of the projects.

**Table 1. Entrepreneurial Competencies Applied to the Experiential Service-Learning Projects**

<table>
<thead>
<tr>
<th>Competency</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Building a plan for an innovative concept</strong></td>
<td>The capacity to create and build something from practically nothing.</td>
</tr>
<tr>
<td><strong>Creative problem solving</strong></td>
<td>The ability to examine and manage standard situations or problems in new ways.</td>
</tr>
<tr>
<td><strong>Entrepreneurial process</strong></td>
<td>Identify an opportunity; develop a business concept; assess the required resources; acquire the necessary resources; implement and manage; and harvest the venture.</td>
</tr>
<tr>
<td><strong>Implementation of change</strong></td>
<td>The ability to create and manage change.</td>
</tr>
<tr>
<td><strong>Innovation</strong></td>
<td>Creating new or novel ideas, offerings, processes, unique combinations.</td>
</tr>
<tr>
<td><strong>Managing ambiguity and uncertainty</strong></td>
<td>Being able and comfortable to address problems in loose and ambiguous contexts.</td>
</tr>
<tr>
<td><strong>Mitigating risk</strong></td>
<td>Being a calculated risk-taker; managing risk.</td>
</tr>
<tr>
<td><strong>Opportunity evaluation</strong></td>
<td>Ability to use processes to evaluate an opportunity (e.g., feasibility analysis, market analysis) for the purpose of deciding whether or not to pursue the opportunity.</td>
</tr>
<tr>
<td><strong>Opportunity recognition</strong></td>
<td>Ability to perceive and to act upon opportunities in the environment that others do not see; developing a set of skills that can be used to differentiate between an idea and an opportunity.</td>
</tr>
<tr>
<td><strong>Resource leveraging</strong></td>
<td>The ability to assess and acquire and manage necessary resources and to use them in a value maximizing manner.</td>
</tr>
<tr>
<td><strong>Thinking and acting as a guerilla</strong></td>
<td>Making unconventional approaches to examining problems and developing solutions.</td>
</tr>
</tbody>
</table>

Program design: Student management of experiential marketing strategies that create value

Creation of value should be the end result of students’ implementation of the entrepreneurial elements listed above and in Table 1. In the present project, students created value through planning, organizing, leading, and monitoring the development of innovative experiential marketing strategies for each business. Value is derived when these strategies result in consumer experiences that are positive, unique, engaging, interactive, and memorable (Pine & Gilmore, 1999; Wilhelm & Mottner, 2005). Current retailers and brands increasingly create
value through executing innovative marketing experiences (Fiore, 2007; Lenderman, 2006; Smilansky, 2009), which drive consumer purchase behavior (“Experiential Marketing,” 2009).

Students focused on the “experience economy” approach (Pine & Gilmore, 1999), which provides a 4E framework for delineating experiential value strategies to innovate businesses. The 4Es (entertainment, esthetics, educational, escapist) were included as part of the program design because they contribute to consumer value in retailing and hospitality venues relevant to small rural businesses--brick-and-mortar stores (Sands, Oppewal, & Beverland, 2009), retail websites (Jeong, Fiore, Niehm, & Lorenz, 2009), rural wine tourist destinations (Quadri & Fiore, 2012), and bed and breakfast hotels (Oh, Fiore, & Jeong, 2007).

One of the 4Es, entertainment experience, entails engaging the consumer by focusing his/her attention on performances/actions created by others. Educational experience involves consumer engagement through active development of knowledge or skills involving the product or brand. Esthetics experience refers to enrapturing the consumer through immersion in enriched, unique physical settings. Escapist experience entails a consumer’s active participation in a scenario that reflects a different place or time. These experiences intersect. For instance, “edutainment” is a mix of educational and entertainment experiences. To exemplify these experiences, a jewelry store may set viewing areas for a passerby to watch the craftsmanship of its silversmith (entertainment). The jewelry store may offer classes for customers to learn about the grading of precious stones (educational). The store setting may sparkle due to the use of lighting and crystal-laced paint (esthetic). Lastly, the jewelry store may host a costume party where guests take on the persona of and dress in the era of their vintage jewelry (escapist).

Program design: Student management of a holistic brand experience to create value

Because of the impact of branding in consumer decision-making, this element of marketing has become increasingly important to business success (e.g., Carpenter, Moore, & Fairhurst, 2005; Esch, Langer, Schmitt, & Geus, 2006; Schmitt, 2012). Creating a unified brand, a common practice of major brands (Spence & Essoussi, 2010), is less common in small businesses (Fiori, et.al., 2013). Therefore, students also focused on managing a holistic brand identity, which entails translating the business’s identity or associations “into a set of tangible, physical, [and] interactive experiences” (McNickel, 2004, p.1)
that identify and tell a story about the goods/services/sellers. A holistic brand identity helps to differentiate the offering from others (Neumeier, 2006; Schmitt, 1999). It entailed management of all brand experience elements, discussed below, to ensure congruency that leads to a consistent and clear image of and message about the brand (Ogle, Hyllegard, & Dunbar, 2004; Snell, 2006).

**Operational Elements of the Service-Learning Projects**

“Service-learning is a teaching and learning strategy that integrates meaningful community service with instruction and reflection to enrich the learning experience, teach civic responsibility, and strengthen communities” (“Learn and Serve,” n.d.). Shinnar and Young (2003) noted that a growing number of college courses have incorporated a service-learning component to enhance student learning, and to help students become better citizens and more competent professionals in the future. Student learning is enhanced through the hands-on, reciprocal nature of the experience (Jacoby & Ehrlich, 1996). In our experience-based learning approach, pairing students with successful business owners fostered reciprocity. Whereas business owners may learn new strategies from students to invigorate their businesses, students may learn about business challenges and successful management practices from owners during the process of strategy development and implementation. This experiential learning process, as supported by prior studies (Krueger, Reilly, Carsrud, 2000; Zhao, Seibert & Hills, 2005), may aid in the development of entrepreneurial identity for the participating students and foster self-efficacy, awareness, and a belief that they too could own and operate a small business.

Over a five-year period, service-learning projects were embedded in a targeted group of retail merchandising and hospitality management courses (Figure 1). The projects provided students with opportunities to strengthen entrepreneurial management competencies, outlined previously, through the planning, organizing, leading and monitoring/controlling creation of strategies resulting in experiential value, including development of a consistent brand identity.

Students started with opportunity recognition; students identified experiential aspects that were missing in the consumer experience offered by the business. They evaluated the opportunity using data from a variety of sources, including the business, Main Street Program, and the community. Development of value-creating sustainability plans and implementation of business makeovers required innovation and creative problem solving. Planning incremental changes
for the businesses helped students identify strategies to mitigate risk. The
makeover budgets ($1,000-$5,000) were small, which required careful planning
and monitoring of expenditures, leading efforts to leverage resource (e.g.,
enlisting help of a business owner’s friends and family members), and organizing
deployment of group member on simultaneous tasks. The expertise of Main
Street Program staff in resource leveraging (e.g., organizing volunteers, sourcing,
and supply donation by local businesses) was advantageous and educational for
the students. Students were required to manage ambiguity given the nebulous
visions and hesitant nature of some business owners. The physical makeover of
the business entailed implementation of change and completion of the
entrepreneurial process.

Research suggests that students can be effective in assisting rural
businesses through service-learning projects (Fannin & LeBlanc, 2007). This
holds true for retailing and hospitality related service-learning projects
(O’Halloran & O’Halloran, 1999; Tucker, McCarthy, Hoxmeier, & Lenk, 1998),
including enhancement of rural retail businesses through effective window
displays, in-store displays, and store arrangement (Muske, Jin, & Yu, 2004). The
current project included a similar but much more holistic approach, with a focus
on managing a cohesive brand identity for the business. This included planning
and completing physical changes to brand experience elements: the retail
property (e.g., store exterior and interior), product offerings (e.g., merchandise
on the shelves), product presentations (e.g., displays), promotions (e.g.,
Websites), and personnel behaviors (e.g., what they wear to work) to solidify a
brand identity. For instance, students created a new brand identity for a bridal
shop through major physical redesign of the store interior, culling and
reorganizing merchandise, creating window displays, and developing
promotional materials focused on target market expansion. These in vivo
learning experiences will foster an entrepreneurial identity and ready future
graduates to own and manage small rural businesses because they allow for
direct application of knowledge and development of sustainable strategies
for entrepreneurial performance and success.
Figure 1: A Model for Enhancing Students’ Entrepreneurial Competencies and Strengthen Rural Businesses

Enhance Student Learning
Through a synthesis of multidisciplinary conceptual and empirical approaches;
By helping rural entrepreneurs enhance sustainability of their businesses;
Develop entrepreneurial self-efficacy and enhanced entrepreneurial identity

Implement Sustainability Plans, Internships, and Makeovers
Help rural entrepreneurs enhance experiential value for their businesses
Apply entrepreneurship, marketing and managerial knowledge and creativity to business plans and activities

Enrich Entrepreneurship Education and Service Learning
Create business opportunities by identifying and offering new value to consumers
Build knowledge and collaboration with rural businesses

Apply the Experience Economy 4Es and Branding to Rural Businesses
Provide entrepreneurs with a framework for identifying and creating new value
Improve business performance by adding education, entertainment, aesthetic, and escapist values and creating a holistic brand identity

Enrich learning through value-added product redesign and merchandising
Merchandising and market research course
Aesthetic design & brand management course
Consumer research course

Enrich learning through value-added place (setting) redesign
Destination marketing course
Merchandising, physical environment course
Design of physical settings course

Enrich learning through value-added promotional redesign
Destination positioning course
Marketing and management plans course
Effective website design for marketing course

Enrich learning through value-added redesign of people factors
Service delivery plans course
Design of experiential marketing and management strategies for entrepreneurship course
Partnering with the main street community program

Successful service-learning programs require suitable community partners for students (Fannin & LeBlanc, 2007). To help ensure good partnerships, we approached the state’s Main Street Program director. We saw the collaboration with the Main Street Program as not only important for identifying the right community partners for the projects, because of their knowledge of 46 Main Street communities, but also for building a synergistic relationship with an agency committed to like values and goals. The Main Street Program mission is “to improve the social and economic well-being of communities by assisting selected communities to capitalize on the unique identity, assets and character of their downtown area” (“Main Street,” n.d.). Furthermore, the collaborators have a common approach, that of focusing on sustainability through the revitalization of existing small businesses to create unique offerings that promote community vitality to attract and retain residents. Exposing students to success revitalization efforts may change their impressions of opportunities in and attractiveness of rural communities in the state, to curtail outmigration of college graduates. Moreover, both collaborators look to (a) change attitudes about the importance of creating a “sense of place” within the state, and (b) encourage partnerships and volunteerism to bring about positive change in communities (“Main Street,” n.d.).

This collaboration allowed us to leverage resources such as human capital represented by complementary skill sets and knowledge of faculty and Main Street Program employees, as well as skill sets, creativity, and labor coming from community volunteers and students. For instance, local carpenters helped construct a wall, which was part of the redesigned space proposed by the student team. The Main Street Program provided businesses with monetary grants that students tapped when making physical changes in the makeover process. The Program also covered costs for transportation of students and faculty to the communities, as well as food, and lodging during the three-day business makeovers.

The experiential service-learning projects with the Main Street Program were initially funded for three years through the United States Department of Agriculture, with consequent funding coming from the state’s Main Street Program. Funding from the Main Street Program allowed the projects to move from development of sustainability plans to the addition of physical makeovers and related internships. The following section describes how we integrated our educational model (Figure 1) and implemented the service-learning projects.
across multiple courses and entrepreneurial learning experiences in retail merchandising and hospitality management.

**Components of the Experiential Service-Learning Project**

**Building entrepreneurial management competencies**

The service-learning model, grounded in entrepreneurship, business management, and experience economy concepts, was embedded in six semester courses within the academic unit of a department. Courses in the service-learning model were geared for hospitality management majors and retail merchandising majors (see Figure 1). Courses implementing these service-learning projects are part of a nationally recognized (2009 Model Undergraduate Program Award, U.S. Association of Small Business and Entrepreneurship) campus-wide, interdisciplinary entrepreneurship education program at a Midwest US university. The following sections detail the three core components of the service-learning project.

**Development of rural business sustainability plans**

From 2004 to 2014 sustainability plans have been developed from firms in 14 rural communities of our state. Sustainability plans are research-based marketing plans, part of the consulting projects. The sustainability plans are created for client businesses with the explicit emphasis on innovative use of resources to create experiential, managerial, and competitive strategies that meet client needs and add value, develop competitive advantages, and promote positive long-term performance for the client.

**Student summer internships in rural communities**

Small teams of students worked intensively during one summer with eight retail and hospitality businesses in five rural communities to develop sustainability plans focusing on the development of a cohesive brand image, creation of innovative marketing materials and competitive strategies, and enhancement of the overall experiential quality of the business.

**Main street makeover marathon**

The Main Street Makeover Marathon component of the project provided the same experience as noted above in terms of research and development of the sustainability plan for a business client. The makeover also included the added aspect of implementation of team recommendations, providing a more holistic
and intensive experience for students in the application of management, entrepreneurship, branding, experiential marketing, and merchandising concepts. As shown in Table 2, the makeover projects allow for fusion of entrepreneurship and management competencies, providing a richer student learning experience and more value for the business client. This integration of entrepreneurship, management, and experiential marketing concepts and competencies into the community-based service-learning project creates a unique and distinctive pedagogical approach to entrepreneurship education in the retail and hospitality disciplines.

Rural business makeovers were implemented in three rural Main Street communities with 10 businesses between 2007 and 2009. The success of this approach led to an agreement with several Chambers of Commerce to complete sustainability plans and makeovers for rural community businesses in 2010 and with more than 20 businesses in five other communities from 2011 through 2014.

Table 2. Summary of Project Components that Highlight the Application of Entrepreneurial Competencies in the Experiential Service-Learning Project

<table>
<thead>
<tr>
<th>Entrepreneurial Competencies</th>
<th>Examples of Entrepreneurial Competency Application in the Experiential Service-Learning Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building a plan for an innovative concept</td>
<td>Students used the 4E model to build a plan for new marketing approaches to enhance the performance of small rural businesses.</td>
</tr>
<tr>
<td>Creative problem solving</td>
<td>Identifying areas of need for business and organizing unique and cost effective approaches to enhance entrepreneurial performance; developing a plan for creatively addressing, solving, or minimizing negative cues and other competitive aspects of business.</td>
</tr>
<tr>
<td>Entrepreneurial process</td>
<td>Planning, organizing, monitoring and controlling resources in a distinctive manner to create new and unique forms of value for the business; helping the business to achieve sustained positive incremental change; leading the project through to completion; evaluating project impacts and</td>
</tr>
<tr>
<td><strong>Implementation of change</strong></td>
<td>Presentation of makeover project proposal to business client for approval; clarifying how enhancements will create value for the business; modifying project as needed to address client needs and preferences; implementing makeover project; complete post project evaluation with client, community leaders, students.</td>
</tr>
<tr>
<td><strong>Innovation</strong></td>
<td>Creating unique value for the business through novel products, service, experiences, or modes of delivery; development of a sustainability plan and business strategy tool-kit.</td>
</tr>
<tr>
<td><strong>Managing ambiguity and uncertainty</strong></td>
<td>Student teams take initiative to lead project in rural community; presenting new ideas that may not adhere to the norm of local business practices. Devising ways to manage diverse community stakeholders and assure business owner of value in recommended makeover and associated strategies.</td>
</tr>
<tr>
<td><strong>Mitigating risk</strong></td>
<td>Identifying success factors needed for each stage of business makeover and managing project to ensure that risks are minimized or controlled.</td>
</tr>
<tr>
<td><strong>Opportunity evaluation</strong></td>
<td>Evaluating and prioritizing opportunities for the focus of the makeover project; choosing project components based on feasibility and developing a plan for the project based on potential impact on business sustainability and performance; evaluating opportunity for students to become engaged in entrepreneurship in small communities; honing of entrepreneurial identity.</td>
</tr>
<tr>
<td><strong>Opportunity recognition</strong></td>
<td>Monitoring and scanning competitive...</td>
</tr>
<tr>
<td>Resource leveraging</td>
<td>Assessing full scope of resources (human, financial, non-human, social) available to the business and creatively managing, expanding, or maximizing existing resources to create new value and enhance the rural business.</td>
</tr>
<tr>
<td>Thinking and acting as a guerilla</td>
<td>Developing novel, unexpected, and cost effective approaches regarding management and marketing for the rural business.</td>
</tr>
</tbody>
</table>

Common processes of the experiential service-learning projects

The following details the organization and common process components contained in all experiential service-learning projects. At the beginning of the semester, students within a course were introduced to the project and exposed to key entrepreneurship, business management, marketing, and branding concepts with explicit focus on experience economy concepts. In most courses, students had the opportunity to either participate in the experiential service-learning exercise or complete another business planning project option to meet course requirements. Providing options was done, in part, to help encourage student dedication to a self-selected project. Participating students within a course were divided into teams based on their interests in type of business (e.g., retail, hospitality, tourism) and complementary skills and knowledge (e.g., management skills, leadership skills, design or marketing background). Each student team was comprised of four to six members. Communities and business client participants were selected through instructor collaboration with the Main Street Program director and staff members. Priority was given in the client selection process to businesses/owners that were willing to consider new directions and change for their business, as well as commit the time and resources necessary to work with student teams for the duration of the project.
Student teams conducted intensive analyses of business and community environment. All student teams were required to conduct a formal site visit at the beginning of the project to better understand their client’s business, the community market context, business conditions, and business owners’ needs and expectations about the project. Student teams completed in-depth interviews and assessments focused on business needs and current marketing, management, and branding practices during the site visit. Students also collected digital photos of the physical business, measurements of the space, samples of current marketing materials, and other resources helpful to their specific project. The course instructor and the Main Street Program staff arranged and accompanied students to the first introductory meeting between the students and business clients in the rural community setting. Students also scheduled visits on their own thereafter as needed to adequately complete the project.

A foundational component of all team service-learning experiences was the creation of a business sustainability plan for a specific business client. Each student team was required to identify new value-added 4E strategies for the client as part of the plan. Teams presented their final sustainability plan to an audience consisting of the participating business owners, Main Street Program director and staff, faculty involved in the project, and other community officials and residents. Team presentations were done in a designated location in the community setting of the business client just prior to the final week of the academic semester. Audience members evaluated each team’s recommendations and presentation quality using an established rubric.

For the Main Street Makeover Marathon, teams collaborated with business owners, local officials, and Main Street Program staff to develop and implement cohesive branding and innovative marketing strategies to create value for rural retail and hospitality businesses. For the makeover version of the project, two presentations were necessary. The first consisted of a presentation of the proposed makeover plan followed by input from all stakeholders in the project. The second illustrated modifications to the plan based on stakeholder input and provided stepwise plans for the makeover implementation with an eye on budget constraints and labor needs. Costs were shared among the state level Main Street Program, the community level Main Street Program and Chamber of Commerce, and the business client. Communication among the student groups, business owners, and Main Street Program staff was continuous until completion of the makeover.
The Impact of the Experiential Service-Learning Experience on Students and Businesses

Impact on students

Qualitative course evaluations showed that students involved in the service-learning projects benefited significantly from the experience. These students reported that their knowledge and skills necessary for developing competitive and value-added business plans for small hospitality or retail businesses were enhanced through the service-learning projects. They also noted becoming more aware of business opportunities in rural communities and developing a strong sense of what it was really like to own and manage a business in a small community. The service-learning projects also provided students with insight and confidence about operating their own business later in their careers, thus enhancing their entrepreneurial identity and self-efficacy. These findings concur with those of Heriot, Cook, Simpson, and Parker (2008) who maintained that among the greatest benefits from student consulting projects is the confidence gained through the selling of their proposed ideas and the offering of a well-developed professional opinion to real business problems. The following quotations reflect examples of student views on outcomes that reveal an enhanced sense of entrepreneurial identity and self-efficacy concerning entrepreneurship from their service-learning project experience:

“It really felt good to know that our ideas were being put to use in an existing business and that they were really helping to make direct changes and improvements.”

“Being able to actually plan and implement our suggestions in the makeover and seeing the finished product from this project was amazing. As a team we really liked being able to ‘do’ visual merchandising and see how visual elements made a huge impact on the business.”

“The projects from the course were very meaningful... the Main Street Project, the analysis and managing the budget for it... they all taught me so much and helped me to grow professionally and see what it is like to be an entrepreneur.”
“I really liked getting to work in project teams... I was able to talk the project out with others and that really helped me to learn the subject matter.”

“Hands down, the Main Street consulting project was one of the best overall learning experiences I have had while in college... great experience and very realistic. It makes me think that I could do this myself one day!”

Impact on Businesses

To validate the positive impact of the experiential service-learning activities on the small business participants, two research assistants conducted telephone interviews with the business operators and a Main Street director involved in the makeovers. The business operators were first contacted via e-mail to encourage participation in the telephonic interview. A total of 11 interviews were conducted (10 business operators and 1 Main Street Director) from the pool of 15 possible respondents involved in the service-learning projects.

The authors provided the two research assistants with a script to follow, which contained an introduction to the study, a set of questions related to the makeover experience and project impact, and a closing statement. The interview script included a series of open-ended questions regarding the success of the makeover at: (a) building and enhancing a unified image for the business, (b) attracting more customers, (c) increasing sales and positive word of mouth, (d) fulfillment of the operator’s goals set before starting the makeover, (e) enhancing the entrepreneurial success and competitiveness of the business, and (f) feedback the operators and director received from customers and community leaders about the makeover.

To minimize interviewer bias, the wording of each question was followed exactly as written. With the participant’s consent, the telephone interview was tape recorded for transcription. No compensation was provided to the participants apart from a summary of the aggregated interviews findings. Content analysis procedures were used to analyze the qualitative data for emergent themes (Esterberg, 2002; Miles & Huberman, 1994). A representative set of business owner interview findings are shown below and reflect the value and impact of the experiential service learning project:

The following sample quotes from business operators regarding project outcomes provide evidence of not only enhanced entrepreneurial performance for
the rural businesses, but also reflect the quality of the student learning experience through mentoring, job shadowing, and interacting with the business operators. It is clear that the project experience provided extensive opportunities for student growth and business owner and business development.

"The students have just breathed so much excitement and new ideas into our business community... they have brought new ways of looking at things and great opportunities for our local businesses to improve. We could never have come this far without the students’ help on this project. Thank you!"

"The student team was just phenomenal! They had such a range of creative ideas and useful marketing and promotional suggestions... I have already used several of them and plan to use many more. Their project had an immediate impact on my business."

"I could never have developed these ideas for my business on my own. The students were so nice and full of energy... they really asked good questions and responded to my needs. The work they did on Website suggestions for my business is fantastic too and something I really need."

"The makeover helped to create a better unified situation. It kind of instilled a better confidence in me and I think that is probably the biggest thing. They got us excited with feel of the look of the store and also instilled a confidence in myself."

"We would do it again so I hope you can continue on doing that with other communities. It’s definitely a big asset for the small towns especially. We were happy to get the assistance and be a part of the program like that."

Overall, the experiential service-learning approach was successful from the perspective of students and the business owner/clients. It also addressed a number of needs and implications in entrepreneurship education and training as noted by Hannon (2006), such as aligning the purpose of the projects with learner needs and needs of the context or location, as well as enhancing a sense of purpose, meaning, and coherence in the entrepreneurship educational experience. From the educator perspective, the experience was overwhelmingly positive with accomplishments and growth noted for both the students and
business clients. The experiential service learning project allowed students to actually experience first-hand what it was like to be a small rural business owner. They also reaped many learning benefits from the real-world case analysis of a small business in need. The sustainability plans developed created much value for both the student teams and for the business owners and helped students to build entrepreneurial skills and capabilities.

The Potential Long-Term Impact of the Experiential Service-Learning Project

By offering a real world learning opportunity, small business owners had a chance to rethink their business, listen to fresh ideas aimed at entrepreneurial performance and business enhancement, and receive a customized set of competitive and experiential strategies to enhance the sustainability of their operations. The communities where the client businesses were located also reaped benefits from the service-learning projects as the modifications made to the business were conducted according to the Main Street process. Ultimately these modifications have the potential to create significant economic and social impacts on the rural community through enhanced business competitiveness, brand image, and attractiveness of the local business sector.

Although these service-learning projects were designed to create awareness of potential opportunities in rural communities and improve rural businesses, they also had a long-term goal of helping to curtail the outmigration of young people. Along with market and economic change, “brain drain”, or the outmigration of college-educated, young residents to urban areas, is a pervasive issue for many rural U.S. communities. The Midwest region, for example, has been especially prone to brain drain (“Iowa Brain Drain,” 2007).

New strategies to draw young, college-educated residents to rural communities, as well as new means of creating awareness of diverse employment and entrepreneurial opportunities in rural settings are needed. Therefore, to help stem the outflow of young residents, our experiential service-learning approach was designed to help students realize the opportunities for business ownership and management that exist in rural areas of the state, and further develop an entrepreneurial identity, through collaboration with experienced rural entrepreneurs.
Limitations and Future Plans

This service-learning approach produced many positive outcomes, but a few challenges should also be noted. Partnering with a quality organization such as the Main Street Program generally aided in selection of appreciative and cooperative business clients. However, a few exceptions can be noted across the many businesses served in this project. While much screening was done to identify the right business owners, an occasional “bad apple” will emerge. This too, however, can be a valuable, yet sometimes frustrating, learning experience. We recommend that instructors seeking to implement such a project take measures to ensure business owner understanding of all project dimensions and timelines, their roles, and responsibilities as mentors to the student teams. It is also recommended that business owners be sought that truly desire to enhance their business and its sustainability and therefore must be willing to embrace some degree of change. We found that outside forces such as friends and family members who do not understand branding and experiential value may offer conflicting input that can temporarily derail progress. This required a concerted effort on the part of students, faculty, and Main Street Program staff to educate these influential individuals. Consequently, part of the student experience includes learning how to act as a professional at all times, to communicate effectively and in a timely manner, and to follow proposed plans through to completion. When these steps are taken, this project can be a win-win situation for business owners and students.

A note should also be made regarding funding for this type of service-learning project. Instructors will need to be entrepreneurial in terms of seeking funds to support travel and other project expenses. Leveraging of resources, creative problem solving, and negotiation are all part of the process to make a high impact entrepreneurial management project a reality. We have been fortunate to partner with a state-based program, and they have graciously provided partial funding support. In tough economic times, however, budgets are reduced at all levels and we have had to expand our partnerships to include chambers of commerce and individual businesses to ensure ongoing external funding. We are also reducing the travel distance to communities served for the near term to reduce costs and sustain our experiential service-learning projects. These projects have received much praise for the value created for students, business owners, rural communities, and our university, and it is our aim to continue this outreach and collaboration into the foreseeable future.
REFERENCES


**Acknowledgements:** Funding for this research was provided by Iowa State University, Iowa Agriculture and Home Economics Experiment Station (IAHEES) Project No. IOW03706 titled: “Building Competitive Strategies to Enhance Rural Food and Fiber Related Product, Service, Tourism, and Experience-Based Small Businesses.”