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Using social media to navigate changing rural markets: the case of small community retail and service businesses

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ABSTRACT

To help small firms navigate changing rural markets, this study investigated how small businesses use social media to expand their customer and stakeholder networks to sustain their businesses. Focus group interviews with owners of small retail and service businesses were conducted in three selected rural Iowa communities. Our findings indicate that social media is an innovative marketing tool to promote interactive, collaborative, and personalized interactions with customers and stakeholders. These interactions enabled small businesses to attract new customers and foster commitment to the business. In addition, reciprocal relationships with stakeholders leveraged social media content creation and fostered social capital formation. However, social media integration poses challenges for many small businesses, due to operational, economic, infrastructural, legal and regulatory, and psychological factors. Our findings highlight education, legal and regulatory guidelines and policies, tools to measure the effectiveness of social media on marketing, and business assistance and support for small businesses to utilize social media to build customer and other business support networks. Implications support the potential for social media to enhance online interactions for these small firms, leading to the development of social capital, a valuable source of competitive advantage and business sustainability in rural markets.

RÉSUMÉ

Afin d'aider les petites entreprises à s'adapter aux changements des marchés ruraux, cette étude a examiné comment elles utilisent les médias sociaux pour élargir leurs réseaux de clients et de parties prenantes afin de pérenniser leurs activités. Des entretiens de groupes à discussion thématique avec des propriétaires de petites entreprises de détail et de services ont été conduits dans trois communautés rurales sélectionnées de l'Iowa. Nos résultats indiquent que les médias sociaux sont un outil marketing innovant pour promouvoir des interactions interactives, collaboratives et personnalisées avec les clients et les parties prenantes. Ces interactions ont permis aux petites entreprises d'attirer de nouveaux clients et de favoriser l'engagement envers l'entreprise. En outre, les relations réciproques avec les parties prenantes ont permis de tirer parti de la création de contenu des médias

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sociaux et de favoriser la formation de capital social. Cependant, l'intégration des médias sociaux pose des défis à de nombreuses petites entreprises, en raison de facteurs opérationnels, économiques, infrastructurels, juridiques et réglementaires, et psychologiques. Nos conclusions mettent l'accent sur l'éducation, les directives et les politiques juridiques et réglementaires, les instruments de mesure de l'efficacité des médias sociaux sur le marketing, ainsi que l'aide et le soutien aux petites entreprises pour qu'elles utilisent les médias sociaux afin d'établir des réseaux de soutien aux clients et aux autres entreprises. Les implications soutiennent le potentiel des médias sociaux à renforcer les interactions en ligne pour ces petites entreprises, conduisant au développement du capital social, une source précieuse d'avantage concurrentiel et de durabilité commerciale sur les marchés ruraux.

1. Introduction

Many small rural businesses struggle to sustain operation, due to changing market environments, and other resource limitations (Cromartie 2017). Rural communities have experienced significant demographic, economic, and social changes over the last half-century, creating challenges for business start-up and sustainability (Deller, Kures, and Conroy, 2019; Burnett 2011; Morgan, Lambe, and Freyer 2009). These changes include the entry of corporate agriculture, outmigration of younger residents, aging of the traditional rural customer base, and changes in manufacturing (Flannigan 2014; Fortunato 2014). Rural communities and businesses are urgently seeking innovative approaches to address these issues and enhance viability. They are in effect 're-developing economies', due to the slow-motion yet massive shifts that have occurred over the past several decades. As farming and rural manufacturing sectors have declined, the retail sector has become increasingly important to rural employment (Deller, Kures, and Conroy, 2019). Rural businesses reflect a sizable number of small retail establishments (i.e. stores, service businesses, and restaurants). Recent reports (U.S. Census Bureau, 2016) show retailing as the third largest rural employment sector at 10.9%, lead only by manufacturing (12.1%) and education, health care, and social assistance (22.3%).

Small businesses play a key role in the economic vitality of rural communities by providing employment, generating income, and improving the quality of life for residents (Memili et al. 2015). However, small rural retail businesses face challenges, due to escalating competition from discount retailers, franchises, and regional shopping/dining centers, along with changes in the broader market environment (i.e. economic uncertainty, tightened business financing, and population shifts) (McCray 2011). They are also vulnerable to consumer out-shopping and, like all brick and mortar retailers, challenged by growing online competition in the evolving retail landscape (Stam, Arzlanian, and Elfring 2014). To be sustainable, small rural retail and service businesses must innovate through technology integration (e.g. social media) and other innovative marketing practices.

Use of social media (e.g. social network websites, blogs, online forums) by rural retailers may help to overcome size and location disadvantages and create social

networks between small local businesses and consumers (i.e. business to consumer) and businesses and suppliers (i.e. business to business) (Sanders, Galloway, and Bensemann 2014). Social media also can strengthen relationships formed through social networks, and facilitate the development of social capital, social exchange behavior, and knowledge sharing among individuals and organizations (Ellison et al. 2014; Resnick 2001). Social capital is a valuable relational resource, created through interaction and engagement with customers, community members, and others in entrepreneur's business networks. Previous research also supports that community level social capital is strongly associated with rural business success (Niehm, Swinney, and Miller 2008).

The increasing preference for multi-channel (online and offline) shopping experiences by consumers (Fromm 2019) further suggests that small rural businesses would benefit through enhanced engagement with customers and other network members, by effectively integrating social media into their business strategies. Despite the many benefits of social media, some small rural businesses have been slow to embrace this technology (Son and Niehm 2019; Galloway and Mochrie 2005). Furthermore, rural businesses often have difficulty facilitating sustained interactions with customers on social media—interactions essential to effective marketing and the creation of social capital. It is also difficult for small firms, especially in rural contexts, to actively pursue social media, due to resource constraints (i.e. time, human, and financial resources) and the lack of local social media role models (Son and Niehm 2019).

This paper posits that lack of knowledge regarding social media, often makes rural business owners hesitant to implement it for marketing purposes. In addition, businesses may be doubtful about social media outcomes and effectiveness. To date, limited research has investigated social media needs and capabilities of small rural firms. Initial practitioner-focused work by Son and Niehm (2019) highlighted small retailer needs, related to social media and implications for Extension and business assistance providers. Findings of this study revealed that rural retailers held positive attitudes toward social media use, and thought it would be beneficial to attract and retain customers. However, they questioned the return on investment, particularly regarding their use of time. Recommendations to Extension directors and business assistance providers included hands-on training regarding the execution of social media, and educating small rural firms on how to integrate social media in their competitive strategies.

The present research used a qualitative method to more fully understand small rural business' competitive and operational needs. We specifically sought to examine how social media and innovative marketing may lead to competitive advantages. To achieve these aims, the following research questions were posed: (1) What are small rural retailer needs and goals for customer and business network engagement through social media? (2) How can social media aid in fostering valuable customer and stakeholder relationships, leading to social capital formation? (3) What are current challenges small rural retail and service businesses face concerning the implementation of social media and innovative marketing practices? (4) What are the emerging needs of small rural retail and service businesses, and how can they be addressed to successfully integrate social media and innovative marketing practices?

2. Conceptual framework

The present paper draws from marketing and rural entrepreneurship literature, as well as literature and theory related to social capital and networks. We use these foundations to address social media as a key component of innovative marketing practices used by small rural retail and service businesses. Small firm marketing has received less attention in scholarly literature than the practices of large organizations. Despite the prevalence of small businesses and their impact on jobs and the overall economy, their competitive needs are not well understood. Independently-owned retail firms comprise 75% of all retail operations in the U.S. (National Retail Federation (NRF) 2020) and over half of all small business sales (SBA, 2018), making knowledge of marketing and competitive needs for this sector of prime importance. Existing research has tended to focus on a limited set of generalized marketing approaches related to small firms (O'Dwyer, Gilmore, and Carson 2009), with little to no emphasis on newer forms of marketing, such as social media. Work by Fiore et al. (2013), examined a range of small retailers' entrepreneurial marketing strategies for the purpose of scale development. However, their research did not specifically focus on social media use.

2.1. *Small retailer goals for social media use in rural markets*

Scholars suggest that the use of social media, encompassing a wide range of online platforms (i.e. blogs, microblog, review sites, media-sharing sites, social network websites) (Munar and Jacobsen 2014), can help develop valuable networks between small businesses and consumers (He et al. 2017), as well as between businesses and suppliers (Braun 2002). With the advent of Web 2.0 technology like social media, small and medium-sized businesses are provided with cost-efficient and effective ways to engage with consumers, and share ideas without geographical constraints (Roberts and Piller 2016). Social media is most often used by small and large businesses for purposes of recruiting, marketing, customer relationship management, and employee communication tools (Schaupp and Bélanger 2014; Askool and Nakata 2011). However, effective utilization of social media platforms, such as Facebook, YouTube, Twitter, blogs, wikis, and Flickr requires a systematic and innovative approach to produce benefits.

Small and medium-sized businesses can take advantage of social media networks to promote their products and services, to create brand awareness, and to increase sales. On a strategic level, they can use analytical aspects of social media to improve their innovation capabilities and better target their marketing efforts (Mirkovski, von Briel, and Lowry 2016). Innovative ideas from consumer posts and reviews of products and services, (including those of competitors), may provide greater insight into customers' needs and preferences. Social media has a dynamic effect on consumers' responses and experiences, and provides insight to organizations and businesses on how they should work differently, by aligning and responding to their customers' behavior.

It is important to recognize the value of social media interactions, because it provides firms with necessary direction for targeting current and potential consumers. Consumers should be viewed not only as buyers of products, but also as assets to a

business. They are not only motivated by price when making purchasing decisions, but also by relationships they have with brands. It is crucial for small businesses to create a platform where interactivity with consumers and other network members can be conducted and monitored. This process will allow for development of long-term customer relationships and satisfaction, which will may translate into sales (Charoensukmongkol and Sasatanun 2017).

It is logical to suggest that social media use may aid in the development of social capital, a resource that develops through interactions and relationships with others (Putnam 2000). In the case of small rural businesses, social capital may grow through the expansion of retailers' formal and informal business networks (Stam, Arzlanian, and Elfring 2014). Network expansion provides rural businesses with access to new and unique competitive knowledge, product and sourcing information, customer knowledge, and strengthens trust and support for local businesses through enhanced customer communications.

Social media based networks can create social capital that may have positive impacts on rural business performance (Stam, Arzlanian, and Elfring 2014). Performance outputs related to social capital include increased efficiency in business activities, strengthening customer loyalty and reciprocal purchase behaviors, and creation of value for the businesses, customers, and the community (Stam, Arzlanian, and Elfring 2014; Wu and Leung 2005). Thus, the development of social capital through social media use can decrease costs associated with traditional marketing activities, increase access to customer information, and increase the productivity of small rural firms, thereby enhancing the potential for business success.

2.2. Creating value through social media: social networks and social capital formation

The literature defines social capital as a multidimensional construct comprised of commitment, reciprocity, collective action, and participation. Social capital recognizes the important role of social networks in enhancing community economic development and business success (Putnam 2000). Consequently, a strong sense of belonging and trust are vital to sustain a community or local business (DeFilippis 2001; Woodhouse 2006). The concept of social capital asserts the importance of trust, generosity, and collective action in solving social problems (Bowles and Gintis 2002), functions that could take place in a virtual or physical business context. In a contemporary sense, social capital can also form through social media networks and consumer engagement in virtual communities (Brodie et al. 2013).

This study posits that social media networks can aid in the creation of social capital for small rural retail businesses and their communities, by strengthening relationships among individuals and organizations (Bourdieu and Wacquant 1992). Social capital is a less tangible form of capital, but a key ingredient necessary to the economic health of rural communities and businesses (Flora and Allen 2006; Woodhouse 2006). Putnam (2000) found that social capital differs from one place to another, based on residents' levels of community *participation* and *commitment*. Indeed, the general characteristics of a community (physical or virtual) directly

influence the success of the place or business (Arentze, Oppewal, and Timmermans 2005). Strong community support is essential to the success of local businesses and *reciprocal support* and patronage from local residents (Coleman 1988; Putnam 2000; Woodhouse 2006). Communities with a high supply of capital resources (e.g. human, cultural, financial, social), particularly social capital, are likely to engage in the sort of *collective action* that provides both social and economic support necessary for local businesses and their community to survive and sustain over time (Flora and Arnold 2012; Miller et al. 2003; Sharp et al. 2002).

Support from community social networks (including those formed through social media) enhances the likelihood of retail success and rural community sustainability (Frazier and Niehm 2004; Korsching and Allen 2004), since this allows for network development beyond physical boundaries of the community market setting. For instance, to become competitive, rural businesses exploit social networks to access important information pertaining to their local consumer market (Frazier and Niehm 2004). Community and business development activities can only succeed if supported locally by strong social networks, comprised of local professionals, business owners, and community members (Sharp et al. 2002). Such network support and participation, through appropriate use of social media, may enhance rural businesses' marketing efforts.

2.3. Social media challenges for small rural businesses

Recent reports indicate that 37 million people of working age reside in rural America (Hammock 2019). Research conducted by a major business assistance provider (SCORE 2019) shows that 6.5 percent of rural residents were self-employed in 2016. Furthermore, these businesses reported revenue and profit comparable to their urban and suburban counterparts. However, among small rural businesses, retailers face many unique challenges that influence their survival. Rural community markets are characterized by greater distances between consumers and product suppliers, small market size, lack of skilled labor, lack of capital and technology, and competition from retail chains and online stores (Ring, Peredo, and Chrisman 2010). There are also concerns about how much time and effort rural retailers should invest in the management of social media, due to current customer demographics and their degree of social media engagement (He et al. 2017). However, retailers in rural markets must reach current and new customers through online channels. A combination of traditional and innovative marketing methods, including social media, are needed to be competitive in today's economy (Son and Niehm 2019).

It is undeniable that the use of social media can be overwhelming (Roberts and Piller 2016) for small businesses, particularly in regard to resource constraints of time and employees. A strategic plan is necessary for any business to benefit from the use of social media. Social media is flush with consumers' seeking attention, and not all needs can be addressed. Therefore, it is important for businesses seeking benefits from social media to be focused and strategic in their approach. Business owners must identify areas of focus for their social media, and be goal-oriented in their plans. Suggested strategic aspects of small business' social media planning includes

the following steps: identify trends to improve products, co-creation of products with consumers, identify gaps in competitors' product and service offerings, create awareness of new products, engage consumers through interaction, and gauge the impact of word of mouth advertisement through consumer reviews. The list of challenges is enormous, but small rural businesses must be clear about their goals to ensure the effectiveness of their social media marketing strategies. Social media is no doubt a profitable marketing innovation for small rural firms, if employed strategically.

3. Method

Small rural retail business needs and challenges regarding their social media and marketing practices were explored using a community-based research approach. Researchers conducted focus groups in three selected rural Iowa communities, with populations of 20,000 or less. These parameters were purposely selected as communities of 20,000 or less have been shown to be most impacted by economic, market, and other environmental changes in rural areas (Fiore et al. 2013). Local chambers of commerce and community leaders assisted in identifying business participants for the focus groups. Participant selection was based on local retailers' observed engagement in social media for business purposes. A total of 12 small, rural Iowa retail and service business owners (i.e. stores, restaurants, bed and breakfasts) participated in the focus groups (see Table 1). The small sample size enabled researchers to gather in depth information on rural business owners' perceptions concerning social media use for business purposes (Charmaz 2005). Focus groups lasted approximately one and a half hours. A series of structured, open-ended questions allowed researchers to facilitate focus group discussions concerning social media, marketing needs, and business practices. Examples of questions included: Please explain how you use social media for your business? How do you feel your business has benefitted from the use of social media? What factors inhibit or constrain your use of social media for your business?

Selection criteria for the small retail and service business owners included use of social media for business purposes ($n = 12$ businesses) or interest in adopting the technology ($n = 2$ businesses). Many small rural businesses had positive attitudes toward using social media to enhance their marketing. Ninety-two percent of the participants agreed that social media use will grow rapidly in their business over the next few years, and 75% agreed that social media was an important component of their overall marketing strategy. However, current social media use by the sample reflected a limited set of applications (see Table 1).

4. Findings

A thematic approach (Glaser 1965; Guest, MacQueen, and Namey 2012) was used for the analysis of focus group data. The goal of this analysis was to better understand how small rural retail and service operations use social media for customer and business network engagement, to benefit to their businesses. Challenges and needs experienced when trying to integrate social media into marketing practices were also of



Table 1. Small rural retail and service businesses: participant profiles.

Participant	Gender	Age	Location (City in IA)	Education	Business type	Role	Years of operation	Employee
1	Female	N/A	Community A	Associate or technical degree	Retailer: men's and women's clothing	Owner	31 years	7 part time
2	Female	44	Community A	Bachelor's degree	Retailer: interiors, antiques, small appliances, etc	Owner	<1 year	1full time
3	Female	51	Community A	High school graduate	Restaurant: Yogurt	Owner	1 year	4 part time
4	Female	49	Community A	Attended college or technical school	Retailer: kitchen and bath design- cabinets, countertops	Manager	1 year	3 full time and 2 part time
5	Male	37	Community A	Attended college or technical school	Breakfast & bed	Manager	4 years	4 full time and 10 part time
6	Female	51	Community B	Bachelor's degree	Women' clothing and accessories	Owner	15 years	1full time and 2 part time
7	Female	82	Community B	N/A	Breakfast & bed	Owner	7 years	N/A
8	Female	53	Community B	Bachelor's degree	Floor	Store manager	8 years	3 full time and 1part time
9	Female	63	Community C	Attended college or technical school	Retailer: Antique and framing	Owner	21 years	1full time
10	Female	40	Community C	High school graduate	Retailer: Consignment & Boutique	Owner	9 years	1full time
11	Male	61	Community C	Attended grade /high school	Retailer: men's and women's clothing	Owner	31 years	1 full time
12	Female	62	Community C	Attended college or technical school	Retailer: men's and women's clothing	Owner	31 years	N/A

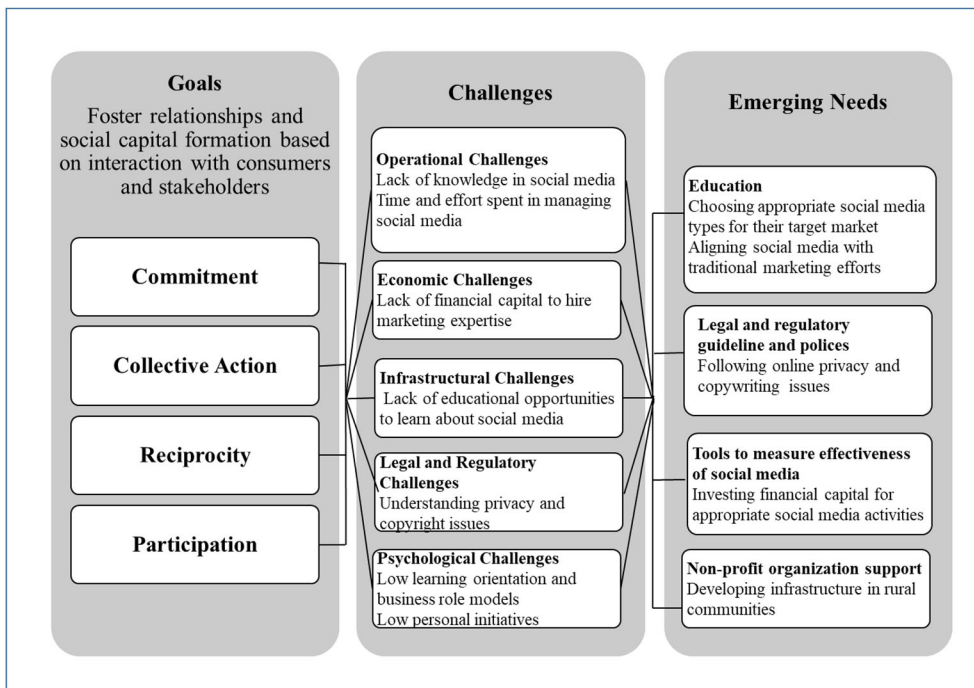


Figure 1. Small rural retail and service businesses’ implementation of social media in changing markets.

interest. Themes were developed through the exploration, categorization, and conceptualization of relationships present in the data, in relation to the stated research questions. Data analysis included the following steps. First, researchers familiarized themselves with the data. Second, preliminary codes were assigned to the data in order to describe the content. Third, patterns and themes in the codes were identified across the focus group interviews. Fourth, themes were reviewed, defined, and assigned a representative title.

Findings revealed three major themes and sub-themes related to the goals, challenges, and emerging needs that rural businesses faced regarding the integration of social media in their marketing practices (see Figure 1). The thematic areas, discussed in detail, follow in the next section.

4.1. Rural business goals: building networks and social capital through social media

4.1.1. Interacting with customers

The primary advantage of social media noted by participants was interacting and building relationships with customers. Participants believed that social media helped attract new business, and strengthened relationships with existing customers. Most participants did not have the financial means for aggressive marketing and believed social media would be cost effective. They sought to increase consumers’ awareness of their business and reach customers outside of the local market. Participants also

used some combination of traditional marketing tools such as local cable television, radio, or printed media. However, traditional marketing relies heavily on local and regional markets, and is prone to rural economic vulnerabilities. Therefore, participants leveraged the potential of social media interactions to attract and build relationships with new customers, as well as suppliers and other networks, in and outside of their rural market.

In addition, businesses revealed that social media interactions provided their business with valuable customer and market information. It enabled two-way communication to respond to customers, allowing them to better address customer interests and questions about their products and offerings. Participants also expressed that social media encouraged a more collaborative relationship, by providing a means for customers to share their experiences and needs. Consequently, businesses were better able to provide personalized services to their customers through information obtained from interactions and relationships formed via social media.

Interview findings also reflected evidence of social capital formation (commitment, reciprocity, collective action, participation) through rural retailers' social media engagement. Aligned with previous research, participants in this study noted that collaborative and personalized interactions through social media positively influenced their customer relationships, customer satisfaction, and sales (Ahmad, Ahmad, and Bakar 2018; Charoensukmongkol and Sasatanun 2017). One participant said that customer relationships forged through social media directly increased their in-store sales and generated more local traffic. It is often challenging to reach and communicate with customers in rural areas, where the market is geographically dispersed. However, continuous interactions through social media increases exposure to a businesses' offerings, builds a sense of *commitment* to the business, and positively impacts customers' frequency of visiting and purchasing, as reflected in the following quote.

We use Facebook mostly to just reach out to our customers to let them know what we have new and for sales. Honestly, nine times out of ten, I'll have a customer come in and say, 'Well, I saw that new blouse on Facebook so that's what brought me in'. (Participant 1)

4.1.2. *Interacting with stakeholders*

Participant responses also show that social media can be used to create a wider network of suppliers and sources of business support, in addition to engaging with customers. The responses of a participant who operated a home décor retail store showed strong social media engagement with not only wholesalers, but also manufacturers and suppliers. The business owner reaches these stakeholders online and obtains marketing and promotional content, which can be posted to promote products on their business' social media platforms. These various stakeholders also list the home décor business as a product and brand source on their social media, reflecting the social capital concept of *reciprocity*, as shown in the following interview excerpt:

The companies we work with, like the carpet companies—we're working with companies that have things for us to use in an online presence. We promote them and they help promote us—it's a win-win situation. (Participant 4)

Another participant posted a message on their stakeholders' web page, stating the products from the stakeholder to advertise their business. By interacting and actively *participating* with stakeholders, and sharing information through social media, the retailer reaches and attracts target customers to their business. Several participants also noted that they used social media to search for information about wholesalers, to analyze trends, and to shop the competition by visiting their social media sites.

4.2. Challenges for rural businesses in implementation of social media

4.2.1. Operational challenges

As in previous studies, participants agreed that creating relationships through social media could potentially have a positive impact on businesses' marketing efforts and success (Stam, Arzlanian, and Elfring 2014; He et al. 2017). However, findings from this study revealed that some small rural businesses have limited ability to engage with customers via social network websites (i.e. Facebook). The primary reasons for low usage included lack of knowledge and experience in social media content creation, and time constraints for consistent execution of social media. Therefore, inconsistent use of social media appears to be hindering its impact on customer networks and social capital formation, as well as the development of competitive advantages in the marketplace.

4.2.2. Lack of knowledge in social media

Most participants stated that while they were trying, they did not have sufficient knowledge needed to apply social media to their marketing consistently and effectively. Many participants began using social media for personal purposes, and struggled to convert to business applications as reflected in the following quote:

Facebook is what we use. I think probably the hardest thing is just being consistent and trying to post things daily or every other day. The way that we use it is we do a lot of pictures of new arrivals in the store. (Participant 1)

It's just really hard because people just don't understand that when you have a business on Facebook, you cannot communicate as personal... And to me, it throws in another twist in too. The negative side of Facebook...if you get a misunderstanding, then BOOM! It blows up and it's really devastating to your business and customer relationships! (Participant 3)

Participants continued to experiment with social media in order to innovate their marketing efforts and learned through trial and error. Some participants expressed fears of dealing with negative reviews from customers on social media. One of the participants said:

They go to Travelocity or something. The reviews are huge. People want to know what others are saying. Just because someone says that doesn't mean it's true. One bad review can be deadly... especially if it's the first thing they see. (Participant 8)

4.2.3. Time and effort spent in managing social media

Rural business participants in this study owned and managed small companies with 10 or fewer employees. Therefore, there was a perceived lack of time and human

resources to innovate through social media and marketing strategies, regardless of acknowledged benefits. Some participants said that they simply could not invest the time needed to manage social media unless they knew how much direct economic benefit they may receive. One participant commented:

I think there could be some benefit. And I think if we had the time and resources to learn more about those things (social media), then I think we could utilize them better.
(Participant 2)

4.2.4. Economic challenges

Participants mentioned that time constraints and lack of human resources to manage social media posed operational challenges and limited their financial returns. They said that social media could be used to potentially reduce marketing costs, but they were constrained by key resources in their ability to actively use social media. Many participants mentioned a lack of financial capital to hire employees to oversee their social media or outsource to a digital marketing company. Although they acknowledged social media as an inexpensive way to promote their products or services, many participants expressed time and resource constraints in relation to its use for their business, as noted in the following quote:

I also need to know how to promote Facebook more, I don't want to pay them [marketing companies]. I need to figure out how to get my message out to more people too. That would be my other thing that I want to help with, how to promote my brand and business more in general. (Participant 3)

4.2.5. Legal and regulatory challenges

Participants were concerned about violating copyrights and other policies online. Some who created social media content containing customer reviews were concerned that they may violate the confidentiality of their customers. They were confused about the extent to which they may be violating the law. In addition, because they were located in small communities, they were concerned about revealing customer identity and information. The next quote reflects some of these concerns:

I understand Facebook for sharing things with my family and my friends, but how do I make that transition to my business, and what types of information can I freely share? And, what do I really need to be more cautious about it in terms of confidentiality?
(Participant 11)

4.2.6. Infrastructure challenges

A lack of educational opportunities to learn about social media (e.g. classes, workshops), how to develop content, and use it for businesses purposes was mentioned by various participants. Most were able to access social media personally, sometimes with assistance from family and friends. Therefore, they only gained superficial knowledge of social media and not ways to implement it in their business marketing. They also noted the limited number of resources (e.g. classes, workshops) available in their communities to learn social media functions and applications. Participants also said that some of their current loyal customers were older and less likely to use social

media. However, all acknowledged a need to attract new and younger customers, while balancing their marketing efforts to address the demographic diversity of their rural communities. This sentiment is reflected in the following quote:

I don't think it's necessarily location as much as sometimes you leave out the more mature customer. That is always linked into it. That's the barrier. It's not location. It doesn't have anything to do with the fact that we're rural as much as the demographics of who lives here. There's a number of people who don't have a computer, who chose not to have a computer. ... because we have the list to sign up for a constant contact and we have it on the counter and they don't have an email address so they just go on the mailing list. (Participant 7)

4.2.7. Psychological challenges

Some participants mentioned lack of knowledge regarding computers, technology, and social media and did not believe they needed to learn otherwise. A few participants, accustomed to traditional methods of communication, did not prefer communicating by social media with their customers. These reasons reduced their personal initiative to utilize social media to enhance their marketing efforts, but most realized that they needed to adapt in order to sustain operation in the long term.

4.3. Emergent needs and implications for rural retailers

To better implement social media and enhance network engagement and social capital formation, participants described types of needed support: (1) education, (2) legal and regulatory guideline and policies, (3) tools to measure the effectiveness of social media and marketing, and (4) business assistance and support.

4.3.1. Education

Participants overwhelmingly mentioned the need to learn about various types of social media, and how to utilize social media to increase efficiencies, build customer relationships, and improve business profitability. Specific programming and educational requests included how to choose appropriate social media types for their target market. Additionally, participants mentioned the need to learn about social media content creation for the types of social media platforms their customers were using, as noted in the following quote:

And, I think that's the question. I think we as retailers need to know 'Where are my potential customers on social media?' Are they in that niche and we aren't there? Do we need to be there and is it worth my time to be there? I think that's basic even for Facebook. Is it really worth it to spend my time doing it...? (Participant 11)

Participants also emphasized a need for understanding how to align social media with their traditional marketing efforts. This includes the ability to identify and respond to changing marketplace opportunities as shown in the next quote:

Sometimes, loyal customers or [those] who live far from the store... after they see the product on Facebook, they personally order by a phone call to purchase this specific product.

Existing customers are our best resource, because they will refer us and we know that we have tons of referral business and so, their point is that—we all should be blogging or sending a newsletter that is 20 to 30 percent of new products and the rest of it is just making them loyal to us... building relationships. (Participant 10)

4.3.2. Legal and regulatory guideline and policies

To manage risk associated with integration of social media, participants mentioned a need for legal and regulatory instruction. This was specifically related to the creation and sharing of content online with customers. However, there currently are no consistent guidelines for the privacy of customers and copywriting issues related to publicized online content. This is an ongoing need for social media use by all business entities.

4.3.3. Tools to measure the effectiveness of social media

Participants sought an accurate indicator or metric to demonstrate their social media marketing effectiveness. One of the reasons participants hesitated to invest time and resources in social media was the uncertainty of value and the resulting financial benefits. Consequently, there is a clear need for assisting rural retailers to learn basic data analytic tools, readily available on most social media platforms, and helping them to interpret and use the data for business decision making.

4.3.4. Business assistance and support

Rural businesses, community organizations, and leaders could benefit from training focused on the benefits and applications of social media. Participants pointed out that business assistance organizations, such as Extension and chambers of commerce, need to aid in building ongoing social media marketing help in their communities, as noted in the following quote:

I've taken so many classes and that's what happens. The classes that they offer come in and they usually have somebody that owns their own website business and so, they come in and then they want you to do what they are doing—they're not going to help you completely with what you need. (Participant 9)

5. Discussion and conclusions

Sullivan, Weerawardena, and Liesch (2012) found the use of technology as a customer-market sensing tool to be an important aspect of innovative marketing. Social media competence has also been indicated as highly important for small firm marketing success (Braojos-Gomez, Benitez-Amado, and Llorens-Montex 2015). Together these findings suggest that marketing practices that include social media may be particularly important for small rural businesses' and their ability to innovate and thrive. The present study highlights theoretical underpinnings that influence social media marketing and innovation in rural markets. Social media platforms allow for dynamic, real-time, and personalized communication with customers and other stakeholders. The responsive and interactive nature of social media provides great potential for network development and relationship formation for rural businesses. These

associations will lead over time to the creation of social capital, a rich relational resource that supports business success (McKitterick et al. 2016; Lekhanya 2013).

The present study revealed varied and inconsistent use of social media by small rural retail and service firms, for marketing and business information purposes. Reasons for the inconsistencies were primarily linked to lack of know-how and resource limitations. However, retailers also revealed a strong desire for more social media knowledge regarding execution and management, and support for issues such as data management, privacy, and control capability. Programming and business assistance that provides this content may foster the ability of small rural firms to use social media to build network connections, conduct customer relationship marketing, and obtain market and customer data to make informed business decisions (Guha, Harrigan, and Soutar 2018).

Previous studies regarding small businesses have postulated that social media may play a critical role in building social networks, customer relationship marketing, and communicating with stakeholders (Pakura and Rudeloff 2020; Guha, Harrigan, and Soutar 2018). In addition, social media can allow for experimentation with marketing mix elements in relation to customer preferences. Adjustments can be quickly made to social media content and timing, and in a targeted manner. Furthermore, since close-knit personal networks are a hallmark of rural communities and businesses, social media can bolster the formation of social capital through enhanced customer communication and interaction. Social media not only allows for quick response to customer needs, but also generates feedback and valuable customer information. It can also be very useful in creating value and knowledge with other business networks across the supply chain.

Location disadvantages, changes in agriculture, demographic shifts, and changes in the traditional customer base, all pose challenges to small rural retail firms and communities. The infrastructure for applying social media in these markets is often weak, requiring targeted types of business assistance, social media support, and even motivational business role models that can demonstrate effective social media in action. To overcome such challenges, and compete with other businesses in the burgeoning online retail environment, social media is an essential tool for rural businesses. Findings of this study emphasize specific rural retailer needs for assistance to enhance their social media knowledge and efforts. This includes how to create social media content according to government regulations, how to track and use data from social media to make better business decisions, recognition of measurable outcomes that can be generated by social media, how to create customer engagement, and how to sustain innovation in their marketing efforts.

This study contributes to the limited existing literature on rural retailing by highlighting the role that social media can play in enhancing innovative marketing efforts, customer and community relationships, social capital creation, and the longer-term sustainability of small rural retailers. Focus groups confirmed that small rural retailers realize the potential value of social media. They also expressed a strong desire to leverage their relationships with customers, as well as suppliers and others in their stakeholder networks, by using social media (Pakura and Rudeloff 2020). Knowledge and relationships are valuable resources, along with the social capital, that grow from

consistent network interaction. Rural retailers do not need to be convinced that social media is an essential component for their marketing innovation; they just need some help in finding their way forward.

6. Implications, limitations, and future research

Small rural retail and service businesses could benefit from additional social media support, especially regarding the selection of social media platforms and use of social media to attract, interact with, and retain customers. In particular, small rural business operators must be better prepared to create and manage content efficiently and learn functions of tools on social media platforms. These critical steps with social media will enable small rural retailers to create more value for their businesses, attract loyal customers, increase sales, and realize the reciprocal effects of relationship management with key stakeholder groups. If rural entrepreneurs can receive adequate support to develop these skills, the potential to integrate social media as component of their marketing practices should increase substantially. Consequently, it is important for business assistance providers to be aware of the direct and indirect economic benefits of social media, and convey tactics and strategies aimed at achieving these outcomes for small rural businesses.

This research examined a limited number of small rural retail businesses in three rural communities in Iowa. The framework provided in [Figure 1](#) may aid in replicating the study to examine social media and marketing needs in other rural regions, and with a larger sample of businesses. This step could increase the generalizability of the findings. Future research could also include a rural and urban comparison of social media and innovative marketing practices of small retail and service businesses, as well as a comparison by industry sector.

Applied research could also be conducted to create data informed workshops and seminars aimed at the social media and marketing needs of rural businesses. Train the trainer programming could be developed to assist Extension and other business assistance providers with content knowledge and module development. Such programming would help assistance business providers to better understand the needs of small retail and service firms operating in evolving rural markets. It could also convey effective strategies for promoting and enabling social media, leveraging value from network associations, and other innovative marketing practices that may lead to enhanced rural business and community outcomes.

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