



Digital Retailing and Marketing: Tools for Rural Small Businesses Navigating the Digital Age

August 2023

EXTENSION

Hyejune Park

Department of Designing and Merchandising

Andrew Van Leuven

Department of Agricultural Economics

Oklahoma Cooperative Extension Fact Sheets
are also available on our website at:
extension.okstate.edu

Introduction

Retail commerce has undergone significant evolution in recent decades due to technological advancements and changes in consumer behavior. Cash-only payments at brick-and-mortar stores have given way to e-commerce, where consumers can purchase goods and services using various digital payment options. Retailers can now provide personalized shopping experiences through the analysis of big data, while mobile commerce has made shopping more accessible through smartphones and tablets. As technology and consumer preferences continue to change, the retail landscape will continue to adapt.

Small business owners need to understand how to navigate this new landscape to succeed. This fact sheet provides a brief overview of digital marketing and digital retailing in 2023, explaining what they are and how Oklahoma small business owners can use them to grow and sustain their business.

A Strategic Approach for Retailers in the Digital Age

The concept of multichannel retailing—which involves integrating multiple modes of communication (or channels) to conduct retail business with customers—has become a prevalent retail strategy since the 2000s, with the emergence of e-commerce. Its rise has been further accelerated with the rise of mobile commerce and social commerce, which involves selling products through mobile devices and social media platforms such as Facebook. While e-commerce (i.e., digital forms of retail) mirrors brick-and-mortar retailing in many ways, the primary distinction between the two is the nature of the transaction: digital retail allows customers to make their purchases electronically, removing any physical limitations on where the transaction may take place.

Adopting multichannel retailing can offer significant opportunities for retailers to expand their customer base, improve customer convenience and drive profitability. However, simply utilizing multiple channels in selling products is not enough to qualify as a multichannel retailer; successful implementation of multichannel retailing requires a strategic approach that provides customers with a consistent shopping experience across all channels and touch points. For example, a customer may browse products online, examine them in a physical store and complete the transaction via mobile.

Retailers must manage inventory and logistics effectively and employ data analytics to gain insights into customer behavior and preferences to achieve such a convenient and consistent shopping experience.

Digital Marketing Tools for Retailers

Digital marketing is an essential component for retailers looking to establish a strong digital presence and engage with customers across various channels. With 87% of shoppers beginning their product search online (Alaimo, 2018), it's vital for retailers to have an online e-commerce website. Retailers can leverage several digital marketing tools to enhance their retail businesses, four of which are discussed below:

- Social media marketing on platforms like Facebook and Instagram can help retailers establish an online presence and engage with customers directly. Creating social media content is a simple way for small businesses to make announcements, share product information and communicate with customers.
- Paid search ads can advertise a retailer's products on search engine websites like Google by displaying their ads at the top of search engine results pages when relevant keywords or phrases are searched.
- Search engine optimization (SEO) is a long-term, ongoing effort retailers can use to increase website visibility and elevate their rank higher in the search engine results pages for specific search keywords. This technique is "free" in that retailers do not need to pay search engine sites, but it does require a considerable amount of effort to optimize the website for increased traffic from search engines.
- Email marketing, often overlooked, can be one of the most effective marketing tools delivering the highest ROI (return on investment) of all marketing channels—\$42 back for every dollar spent (Lesonsky, 2020). Retailers need to obtain email addresses from existing and potential customers and create relevant and engaging email content to avoid being perceived as spam mail. By leveraging these digital marketing tools, retailers can increase their visibility, reach a wider audience and build customer loyalty.

Leveraging Digital Retailing and Marketing as a Rural Small Business

Compared to their urban and suburban counterparts, rural small businesses often are at a disadvantage in terms of the size of their customer base, as urban density translates to a larger pool of customers for whom to compete. This disparity can be compounded if rural small business owners fail to use digital marketing and retailing strategies, as they may lose customer traffic, visibility and revenues (Triplett, 2020). The following sections contain suggestions and examples of contemporary retailing practices that may guide rural retailers as they adapt to the modern-day landscape of digital commerce.

Digital Marketing Tips for Rural Small Business Owners

- **Maintain consistency and reliability in social media.** Once a business owner begins using social media to market their business, it is crucial to remain consistent. Although digital marketing efforts do not guarantee business success, consistent social media posting can convey an active presence and foster a sense of community between the business and its followers/subscribers. However, it is essential to maintain a balance and ensure the quality (rather than quantity) of social media posts. Excessive posts without engaging with customers can create a negative impression and damage the relationship with customers.
- **Avoid juggling too many social network platforms.** Unless there is a full-time social media director on staff (which is not often the case for small businesses), business owners should allocate their limited time to the platforms that are most popular among their target audience (Cook, 2019). Platforms like Twitter, Facebook and TikTok have vastly different user bases, and the business owner must prioritize between the various options available.
- **Build a strong email list.** For small businesses, developing a sizable email list can be challenging. Encourage visitors to your store, website and social media channels to subscribe to your email list by offering incentives like discounts. Once you have built a solid email list, use a reliable email service provider (such as Constant Contact or Mailchimp) and create engaging content to avoid triggering spam filters.
- **Utilize local SEO:** Since small businesses often focus on serving local customers, optimizing your website for local search is an important strategy to consider. Incorporate location-based keywords (e.g., best cupcakes in Oklahoma) into your website content to improve your chances of appearing in local search results. Be sure to include your store's name, address and phone number on your website and in online directories such as Yelp and Foursquare as this can help improve your local search rankings. Additionally, create a Google Business Profile to increase your visibility in local search results and attract more local customers.

- **Emphasize video marketing.** Thanks to the widespread adoption of smartphones, video marketing has become increasingly popular and is now recognized as one of the most effective forms of digital marketing (Cohen, 2022). Although video content creation requires a higher level of competence, videos are easily shareable and can have a more profound impact on viewers than images or text. Video platforms like YouTube, TikTok and Instagram also serve as search engines, with younger users indicating a preference for TikTok and YouTube over text-based search engines such as Google or Bing (Huang, 2022). Business owners cannot afford to miss out on using video as a marketing strategy, given its role in both SEO and social media marketing.

E-Commerce Strategies for Rural Small Business Owners

- **Provide adequate product detail.** In the digital age, consumers have unparalleled access to information about products. Detailed photographs, technical specifications and prices are crucial. Failing to provide sufficient information about price and availability can result in consumers choosing a different e-commerce outlet. Because customers want to feel confident with their purchase decisions, online retail sites should include as much information as possible. This can include alternate camera angles, shipping dimensions and weight and detailed descriptions that indicate why a particular product is worth the customer's money.
- **Bundle complementary products.** Offering multiple products as a bundle encourages customers to view and consider purchasing items they may not have otherwise considered, simultaneously increasing sales while saving customers money (Tuenge, 2014). When bundling products, consider options that complement one another—e.g., bundling chips with salsa or pairing charcoal with BBQ accessories—while still allowing customers to purchase products separately (outside of the bundle). This strategy can apply outside of an e-commerce context, but offering bundle deals as “online only” can create a feeling of exclusivity and drive online sales.
- **Maintain an organized payment solution.** While this fact sheet does not delve into the specifics of setting up a digital payment system, it is essential to find a reliable solution. Many merchant services provide both physical and virtual point-of-sale (POS) options to process debit and credit card payments, enabling business owners to use a consolidated system to accept payments for both brick-and-mortar and online sales (Visa Small Business Hub, 2022). Regardless of the payment method selected by the business owner, it is critical that customers feel assured that their transactions will be handled securely and efficiently and that they are not at risk of any fraudulent activities when entrusting the business with their payment and contact information.

- **Tell a story.** Because “people buy from people” (Forbes Business Council, 2021), it is critical for business owners to add a personal touch to any marketing effort including their website, telling a compelling story about the business and its values. For instance, an artisanal bakery should not only promote its baked goods but should also try to connect with customers by sharing the story behind its business and highlighting its unique value propositions that differentiate it from competitors. Storytelling can be a powerful strategy for both marketing and e-commerce.
- **Provide unique in-person experiences.** This may seem counterintuitive for a digital retailing guide, but providing unique experiences for customers is one way to adapt to the rise of e-commerce. As more and more products become available for purchase online, a brick-and-mortar small business can solidify its value within the local community by providing visitors with memorable experiences, such as hosting events or delivering outstanding customer service. This creates a differentiated product (i.e., something that customers cannot find anywhere else) that can strengthen a brick-and-mortar retail business against the growing trend of digital retailing and e-commerce.

Conclusion

E-commerce, which involves online ordering of goods and services, has been steadily growing as a share of total retail sales since the beginning of the century (FRED, 2023). Although it has decreased from its pandemic-related peak, its use remains much higher than before the outbreak (see Figure 1).

To help small business owners adapt to the digital landscape, OSU Extension has previously provided resources for website creation (Whitacre & Muske, 2017) and internet marketing (Muske et al., 2017). This fact sheet expands on those resources by combining discussions of digital retailing and marketing tools, specifically tailored for rural small businesses in a post-COVID era and future fact sheets will be furnished to address some of the specific recommendations list above. By considering the strategies outlined in this fact sheet, Oklahoma retailers can feel empowered to navigate the digital age of commerce and capitalize on the opportunities offered by greater internet connectivity.

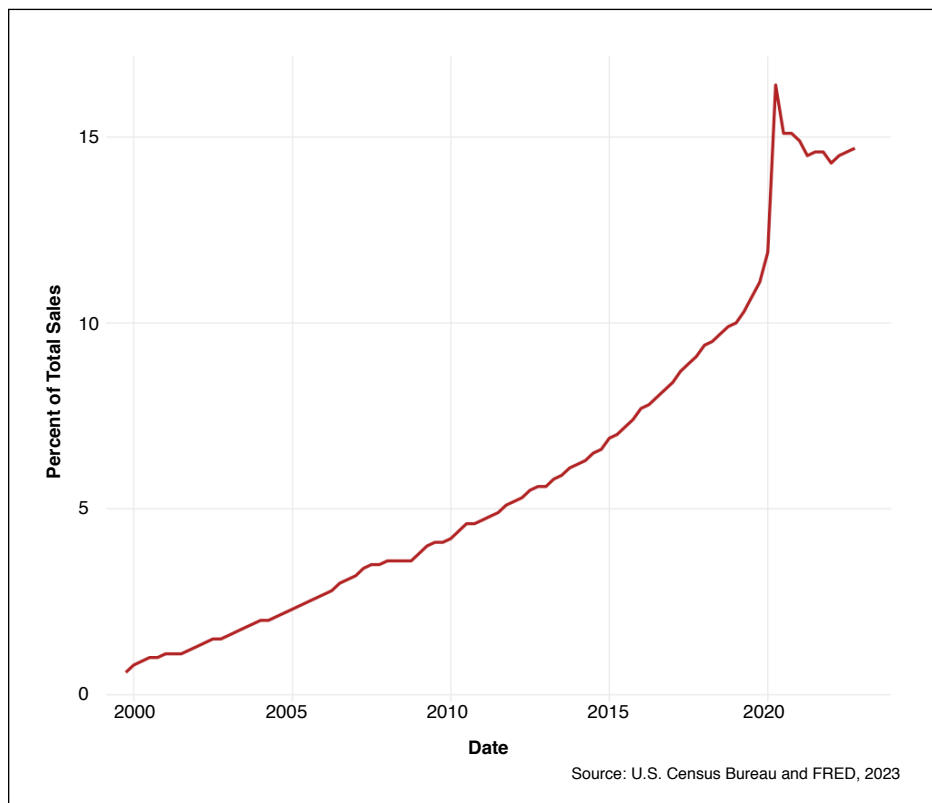


Figure 1. E-Commerce Retail Sales as a Percent of Total Sales.

References

- Alaimo, D. (2018). 87% of shoppers now begin product searches online. Retail Dive. Retrieved from <https://www.retaildive.com/news/87-of-shoppers-now-begin-product-searches-online/530139/>.
- Cohen, J. (2022). 11 Essential Digital Marketing Tips For Small Businesses In 2022. America's SBDC Blog. Retrieved from <https://americassbdc.org/11-essential-digital-marketing-tips-for-small-businesses-in-2022/>.
- Cook, R. (2019). Marketing Your Main Street in the Digital Age. Main Street America's Blog. Retrieved from <https://www.mainstreet.org/blogs/national-main-street-center/2019/02/05/marketing-your-main-street-in-the-digital-age>.
- Delfino, D. (2020). Nearly Half of Americans Are Making More Online Purchases Amid Pandemic. LendingTree Blog. <https://www.lendingtree.com/personal/more-online-purchases-study/>.
- Forbes Business Council. (2021). 13 Content Marketing Tips For Rural Business Owners. Forbes Small Business. Retrieved from <https://www.forbes.com/sites/forbesbusinesscouncil/2021/04/23/13-content-marketing-tips-for-rural-business-owners/?sh=31a9395a4eb4>.
- FRED, Federal Reserve Bank of St. Louis. (2023). E-Commerce Retail Sales as a Percent of Total Sales [ECOMPCTSA]. Retrieved from <https://fred.stlouisfed.org/series/ECOMPCTSA>.
- Huang, K. (2022). For Gen Z, TikTok Is the New Search Engine. New York Times. Retrieved from <https://www.nytimes.com/2022/09/16/technology/gen-z-tiktok-search-engine.html>.
- Lesonsky, R. (2020). Email marketing: Still the most powerful tool to take your business to the next level. Forbes. Retrieved from <https://www.forbes.com/sites/allbusiness/2020/10/26/email-marketing-still-the-most-powerful-tool-to-take-your-business-to-the-next-level/?sh=74cde2c234bf>.
- Muske, G., Stanforth, N., & Woods, M. (2017). The Internet as a Marketing Tool. Oklahoma Cooperative Extension Service.
- Triplett, V. M. (2020). An Exploration of Rural Small Business Owners Experience with Internet Marketing.
- Tuenge, G. (2014). 3 Ways to Showcase Your Products for Better Online Sales. America's SBDC Blog. Retrieved from <https://americassbdc.org/3-ways-to-showcase-your-products-for-better-online-sales/>
- Visa Small Business Hub. (2022). SMB Hacks: Five tips for finding the right digital payments solution. The Visa Blog. Retrieved from <https://usa.visa.com/visa-everywhere/blog/bdp/2022/01/11/smb-hacks-five-1641930684046.html>.
- Whitacre, B., & Muske, G. (2017). Website basics for small businesses. Oklahoma Cooperative Extension Service.

Oklahoma State University, as an equal opportunity employer, complies with all applicable federal and state laws regarding non-discrimination and affirmative action. Oklahoma State University is committed to a policy of equal opportunity for all individuals and does not discriminate based on race, religion, age, sex, color, national origin, marital status, sexual orientation, gender identity/expression, disability, or veteran status with regard to employment, educational programs and activities, and/or admissions. For more information, visit <https://eeo.okstate.edu>.

Issued in furtherance of Cooperative Extension work, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, Director of Oklahoma Cooperative Extension Service, Oklahoma State University, Stillwater, Oklahoma. This publication is printed and issued by Oklahoma State University as authorized by the Vice President for Agricultural Programs and has been prepared and distributed at a cost of 20 cents per copy. August 2023 KG.