Economic Sustainability of Rural Small Business: Incorporating New Value-Added Business Strategies

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Presentation for TSC 220

February 26, 2010
Importance of Small Businesses to Rural Sustainability

- Majority of rural firms
- Nearly two-thirds of all establishments
- Provide services needed by residents
- Add to the personality and charm that characterize rural Main Streets
Leveraging Resources to Enhance Sustainability of Rural Communities

- US Department of Agriculture Challenge Grant
- AESHM Department
- Iowa Department of Economic Development’s Main Street Iowa Program
- Grinnell, Iowa Chamber of Commerce
Rural economic sustainability using skills, knowledge and creativity of college students/faculty

- Strengthen brand identity
- Incorporate Experience Economy 4E’s
AESHM Courses Involved

- Branding and Design (Undergrad & Grad)
- E-commerce (Undergrad & Grad)
- Entrepreneurship Foundations (Undergrad & Grad)
- Merchandising
- Tourism and Lodging Marketing
Organization – political value

Volunteer & Leadership Development

Funding & Investor Development

Communication - Internal & External
Promotion – social value

Image Campaigns
Retail Selling Events
Special Events and Festivals
Marketing Strategy for Downtown
Business Improvement – economic

Market Research, Branding
Business Education-4Es
Stimulate Under Utilized Space
Financial Incentives
Business Retention
Expansion & Recruitment
Design – physical value

Building Improvements
Public Improvements
Education and Awareness
Retail and Hospitality businesses and entrepreneurial practices

Business competitive strategies to enhance sustainability

Strengthening unique brand identity to fit or expand target market:

Integrated appearance of store/restaurant

- Exterior
- Interior (lighting, display units, layout)
- Multi-sensory (music, scents, taste, textures)
Project Focus

Merchandise presentations

Print materials

- Ads
- Business cards
- Menus

Signage, logos
Use of Experience Economy 4E strategies to add value through strengthened customer experiences

- **Entertainment**—engaging performances
- **Education**—enriched knowledge or skills involving goods/services
- **Esthetics**—enriched, unique physical setting
- **Escapist**—not just getting away, but being transported to a different place or time
Experience Economy Strategies: Adding Value through the 4 E’s

- **Entertainment**: Chef’s tableside technique
- **Educational**: Quilting classes in a fabric shop
- **Esthetic**: Themed B & B room
- **Escapist**: Murder mystery B & B
## Communities Assisted

Sustainability Plans developed for Iowa community businesses:

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<thead>
<tr>
<th>Adel</th>
<th>Charles City</th>
<th>Conrad</th>
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<tbody>
<tr>
<td>Greenfield</td>
<td>Jewell</td>
<td>Hampton</td>
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<tr>
<td>Iowa Falls</td>
<td>Mount Pleasant</td>
<td>Muscatine</td>
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<td>Osceola</td>
<td>State Center</td>
<td>Story City</td>
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Overview of Changes

- Brand update
  - Logo
  - Newsletter
  - Web site
- Guild
- Basement
  - Inspiration spaces
  - Class area
Newsletter & E-newsletter

- Consistent branding
- Reflect organization, simplicity, creativity
- Reinforce theme identity
Welcome to the internet home of Prairie Rose Quilts and Gifts. Please click on the links in the menu to the left to discover more about our shop.
Store Specials & Guild

- Birthday discount implementation
- Memorabilia

Prairie Rose Guild
- Entertaining, educational event
- Little startup cost
- Opportunity for memorabilia

Prairie Rose Quilts & Gifts
Birthday Special: Let us help you celebrate! Come visit us within a week before or after your birthday for a 10% discount on your total purchase!

629 Main Street, Jewell, IA 50130, Phone: 515.827.6151, Email: stingray@netins.net
Existing Space
Infant & children’s display space can showcase a variety of children’s patterns and projects.

Egress leads to storage space, HVAC, & stairs exiting to the back of the building.

The central vignette is meant to give an embracing welcome to those who enter the space. The display emphasizes the traditional uses of quilting products.

"Accessories vignette" This space is intended to highlight the use of quilting projects such as quilted garments, purses, etc.

A "kichenette" pulls double duty hosting coffee and treats when need while also serving as a display for kitchen types of quilting products.

Main classroom space is defined by banquet type tables and two tables with conventional seating against the walls on either side of stairs. Seating capacity exceeds the minimum required.

Quilt blocks have been stenciled on the floor to direct traffic flow and add visual interest while enforcing the quilting theme.
Visual Display
Window Display

- Make a humanistic connection to consumer.

- Front window should tell people who you are and what you are about.

- Items in window may not necessarily be for sell, but should stimulate curiosity & interest.

- Windows don’t have to be crowded & fuzzy to get people’s attention.

- Lighting is essential - people have to see the idea in order to sell it.

- This window tells about this store’s values of heritage, family & quality.

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Implementation

Stage 1: immediate
- Mission statement
- Newsletter
- E-mail newsletter
- Guild
- Window displays
- Painting of basement floor

Stage 2: within the next 6-8 months
- Birthday discount
- Basement inspiration spaces/rooms

Stage 3: within the year
- Class area modifications
- Web site

Future plans
- Office, Circulation, & Merchandise
Budget

- **Costs**
  - Floor
  - Inspiration spaces
  - Class area
  - Web site

- **Time and labor**
  - For all parts
Project Purpose: Stage Two Makeover Marathons

- Design and implement sustainability plans through physical makeovers of businesses
  - Strengthen brand identity
  - Incorporate Experience Economy 4E’s
Communities Assisted

Makeover Marathons

For Iowa community businesses:

Elkader
Grinnell
Oskaloosa
Sac City
Main Street Makeover | Oskaloosa | 10,938

Brown’s Shoe Fit
Hunter’s Gifts

Main Street Makeover | Oskaloosa | 10,938
Main Street Makeover | Oskaloosa | 10,938

Margie’s Menagerie
Elkader, Iowa
Clayton County Seat
Main Street Makeover | Elkader | 1,465

Holly’s Bridal Boutique
Main Street Makeover | Elkader | 1,465

Treats,
Main Street Makeover | Elkader | 1,465

Willow Creek Wine and Garden
Main Street Makeover | Elkader | 1,465
Moser Family Pharmacy
2010 Main Street Makeover
in Grinnell, Iowa
February 22, 2010: Site Visit to Grinnell by AESHM 474-574 and AESHM 545 classes. Arrive at 10am; Depart 3pm.

March 25, 2010: Presentation of Makeover Proposals to business clients, 6:30-8:30 pm, 2088 Le Baron Hall, ISU Campus, Ames, IA.

March 30, 2010: Site visit to Grinnell by AESHM 275 class for consulting project. Arrive at 10am; Depart 3pm.

April 19-21, 2010: Makeover Project Implementation, Grinnell, Iowa by AESHM 474-574 and AESHM 545 classes. Arrive at 10am on April 19. Local accommodations needed for April 19 and 20. Depart on April 21 between 1-2pm.

April 29, 2010: CHS Entrepreneurship Showcase, Le Baron Hall, Iowa State University, all classes present projects, 6-8pm, Le Baron Lobby and Auditorium, ISU Campus, Ames, IA.
Existing Conditions

- Low level of visual impact
- Doesn’t communicate the type of food served
- Weak color scheme
New Identity Applied to Storefront
existing conditions

- doesn’t represent top notch quality products inside
- new identity is a great time to make additional changes to building exterior as well
proposed signage

- update look and replace with a welcoming, friendly appearance
- signage that appeals to broad audience, all ages
- additional lighting
Impact on Students

- Sense of responsibility to support local businesses
- Improved knowledge/skills of competitive strategies
- Awareness of rural business opportunities
Main Street Director: Greenfield, Iowa

“The students have just breathed so much excitement and new ideas into our business community..... they 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.”
Questions?

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