



Reciprocity

in the rural community and in the retail marketplace **No. 1**

Identifying Attitudes

“You give them service, and hopefully that surprise will bring them back and hopefully they will tell two or three other people.”

Retailer

“Someone walks into your store, you can identify them by name and greet them by name. I think it really means a lot.”

Retailer

“I don’t think they owe us buying from us, but I do think that they should at least try us. Just for the fact that they want to continue to have that selection available in their hometown.”

Retailer

Why do some rural consumers bypass local merchants to shop in distant places? What causes others to shop “at home” within their own communities?

The relationship between rural businesses and their customers is important, but it is not well understood. Recent research at ISU investigated whether the difference in shopping behavior was related to the idea of reciprocity.

What is reciprocity?

Reciprocity is the idea of giving and receiving in about the same proportions. For example, if people know that a merchant is helpful to the community, consumers may appreciate that support and be more likely to shop with the merchant.

This fact sheet is first in a series explaining some of the attitudes of retailers and consumers concerning reciprocity that were identified during a study of small-town shopping behavior.

The reciprocity investigation began in 1989 with focus groups in four rural communities in Iowa and Nebraska with populations of less than 10,000.

How were attitudes identified?

Focus group interviews of community members were conducted to discuss attitudes, beliefs, and ideas about marketplace trade.

The groups were

- 27 consumers, ages 18-55;
- 41 consumers, over age 55; and
- 25 owners and managers of small businesses.

Participating retailers’ stores were

- apparel and accessory,
- appliance,
- building materials,
- garden supply,
- general merchandise,
- hardware, and
- home furnishings.

What are retailers’ attitudes?

Retailers’ comments showed that small-sized retailers were very concerned with

- competition from major discount stores,
- consumer loyalty,
- government requirements, and
- developing a strategy to stay in business.

Retailers recognized that local residents often shopped out of town because they thought local stores had a **narrow selection** and **higher prices**.

Retailers agreed that their price and selection were not their strengths but stressed their ability to provide **excellent service**. Retailers felt they made a difference in the community because they provided not only needed goods and services but also jobs.

Retailers often spoke about knowing customers by name and how that relationship added to their satisfaction in operating a small-town business. They said both their sales and their satisfaction in conducting

“I think a lot of the people, if the community had what they needed, they’d buy it here. But I don’t think they’ll buy what they don’t want simply to get something or give something to the business so they can stay here in town. Most of the people I know try real hard to buy what they can here.”

Consumer

“In small towns everybody knows everybody else real well, and, if you don’t care for this businessman, then you’re not going to shop his business.”

Consumer

“Yeah, you like to see a business make some sort of profit, but at the same time, you don’t want to be gouged.”

Consumer

business in the community were enhanced by the social interaction that occurred.

What are consumer attitudes?

Consumers said community members should help each other. Their statements suggested that reciprocity guided their own behavior and the behavior they expected of others during trade.

If merchants were thought to be strong community members, they also were viewed positively in regard to their business dealings.

Consumer statements revealed how important it is that reciprocity be balanced. Several consumers said they were loyal to the community and tried to **shop first** with their hometown merchants.

Consumers said they liked the personalized service that local businesses offered. They recognized that local businesses often worked together for the greater good of the community.

Suggestions to build business

Here are a few strategies that may help small-town merchants to build patronage and encourage community residents to shop locally.

- Know customers and greet them by name.
- Establish a presence as a community member; make a commitment to the community by sponsoring school or other events.
- Be a community advocate.
- Focus on offering different services or merchandise than mass marketers do.

- Support each other by purchasing supplies from each other.

- Support each other through customer referrals. Know what other businesses in town offer, so customers can be referred to someone else in the community.

Reference

Miller, N.J., Kean, R.C., and Littrell, M.A. (1995) “Combining Qualitative and Quantitative Methods to Study Small Community Social and Market Exchange Relationships.” In C. Ladisch (Ed.) *International Textile and Apparel Proceedings* (p.104) Monument, Colorado: ITAA

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For more information, see other publications in this series:

- *Rural Retailer Perceptions* PM 1766
- *Rural Consumers’ Perceptions* PM 1767
- *Attracting Customers to Towns* PM 1768
- *Community Values and Marketing Strategies* PM 1769

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File: Communities 3-2 Retail Trade Analysis

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