



Reciprocity

in the rural community and in the retail marketplace **No. 2**

Rural Retailers' Perceptions

Why do people in small towns sometimes leave town to shop and buy the things they need? What do small-town retailers think about their own businesses? The relationship between rural businesses and their customers is important, but it is not well understood.

Recent research at Iowa State University investigated whether reciprocity was important in marketplace behavior in rural communities.

- retailers' satisfaction in doing business in the small-town environment was related to their satisfaction with the level of local reciprocity.

This fact sheet is the second in the *Reciprocity* series that summarizes findings from five rural Midwest community studies that spanned a six-year period. The rural communities studied had populations of less than 10,000 and agriculture-based economies. They were located in Iowa and Nebraska.

What is reciprocity?

Reciprocity is considered an ethical concept that is fundamental to many religious beliefs. It means giving and receiving in about equal proportions. It is an idea that is handed down from one generation to another as children grow up and learn about life.

What were the purposes of this study?

In this survey, the objectives were to determine whether

- retailers understood reciprocity and its existence in the community marketplace,
- retailers were satisfied with the level of reciprocity, and

How was the survey conducted?

A sample of retailers was randomly selected from mailing lists obtained from sales representatives who worked closely with retailers in rural communities. Survey questions were developed to measure reciprocity.

A questionnaire was mailed to 150 retailers, each with fewer than 20 employees.

Seventy-seven responses were obtained from 65 communities in rural Iowa and Nebraska.

The retailers owned or managed stores dealing with appliances, animal health products, auto parts, hardware, and home furnishings.

Most of the retailers surveyed had lived in their communities for 11 or more years.

What was found?

The survey findings supported the findings from the focus group discussions reported in *Reciprocity 1: Attitudes*, PM 1765.

Findings suggested that the retailers' level of satisfaction with conducting business in their community was significantly influenced by their levels of satisfaction with reciprocity operating in the marketplace environment.

- Retailers were able to identify the level of reciprocity present in their communities and their degree of satisfaction with it. Measured on a 5-point scale, with 5 being high, retailers believed that the level of reciprocity in their community was 4.17, whereas their satisfaction with reciprocity was 3.62.
- Retailers who responded felt their businesses were fairly successful.
- Most of the responding retailers said their overall store performance was about the same or better than the previous fiscal year.
- The retailers felt that the amount of reciprocity in the community was important to their success.
- Retailers said their satisfaction in doing business in their small town was related to the level of reciprocity present there.

Suggestions to build business

Reciprocity is a strategy that can help you build your business. Try these methods to establish a presence in the community.

- Sponsor or coach a sport team or sponsor an academic team.
- Visibly support community events.
- Create an environment that provides a comfortable gathering place for socializing.
- Volunteer for local activities.
- Join a local service club.
- Become active in local government.

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:

- *Identifying Attitudes* PM 1765
- *Rural Consumers' Perceptions* PM 1767
- *Attracting Consumers to Towns* PM 1768
- *Community Values and Marketing Strategies* PM 1769

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