



## Iowa Rural Small Retail is Dynamic, Fluid, Competitive, and Full of Small Business Opportunity

*The Typical Iowa Rural Seller Uses Many Sales Methods, And Online Sales are an Important Part of Sellers' Sales Strategy*

### Background

In 2021, the Connected Commerce Council (3C) commissioned a survey of two thousand American small businesses that sell products to learn how they sell, where they sell, and what sales support services they value.

Through that research, we learned that even the smallest product sellers are adaptable, finding customers everywhere, using brick-and-mortar stores, seller-branded online shops, online marketplaces like Amazon and eBay, and apps like Facebook and Instagram. We called the report "[Super Selling](#)" to highlight the flexibility, intensity, and exhilaration of entrepreneurs innovating to connect with customers and grow a business.

This month we published our first comparative study, about [small rural sellers](#), including sellers in Iowa. We asked many of the same questions to compare how Iowa rural sellers are similar to - or different from - the U.S. national average. We also asked new questions to help us understand the unique rural commerce environment.

### Executive Summary

In many ways, rural sellers are the same as all sellers. Both use several different methods to reach customers - online and offline, wholesale and marketplaces, and direct-to-consumer apps. The typical Ohio rural seller (54%) uses at least 3 sales methods to sell their product.

Every sales method has competitors vying for sellers' allegiance, and there is no one-size-fits-all or dominant solution. For example, for Iowa rural sellers,

brick and mortar (57%) was the most popular sales method, but wholesale (43%) was less popular than online marketplaces (54%) and web stores (53%).

Compared to small sellers generally, who reported brick and mortar as the leading sale method, but use wholesale channels more than online marketplaces or web stores. We believe that rural areas' lower population density requires further travel distances for traditional sales trips, i.e., wholesaling, so rural sellers find it more efficient to utilize online sales channels to reach distant customers. We're confident that while Iowa rural sellers may not be "online first" as they are in some other states, they are using a diverse set of sales methods, of which online is an important aspect.

### Iowa Rural SMB Sellers vs. All SMB Sellers Nationally

	All SMB Sellers	Iowa Rural SMB Sellers
Most Popular Sales Methods	Brick and Mortar Wholesale	Brick and Mortar Online Marketplaces
Online Marketplace Revenue As % Of Total Revenue	17.5%	24%
All Online Revenue As % Of Total Revenue	54%	47%

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## Iowa Rural Sellers Use a Variety of Sales Methods - And All Are Competitive

Iowa rural sellers use a variety of sales methods, including the following (in order of popularity):



The typical Iowa rural seller (55%) uses at least 3 sales methods to sell their product.

Many of the sales methods are very competitive, and rural sellers have several good choices. For example: A seller's online web store might be hosted by Shopify, Squarespace, Wix, or another platform, and they may sell on multiple online marketplaces, including eBay, Etsy and Amazon.

### How do Iowa Rural Sellers Succeed in Distant Markets?

Over half of Iowa rural small business sales (53%) are made locally, in the immediate area where a business is primarily located. Of the remaining sales, 17% are within the state, 25% are outside the state, but within the U.S., and 5% are outside the country.

Iowa rural sellers said that online marketplaces (37%) and business-owned web stores (35%) are among the most effective distant sales methods.

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This speaks to the importance of online sales channels to reach distant markets - which historically were reachable only through wholesaling. Today, rural sellers can start their business online and reach local and distant markets - including international markets - simultaneously.

## **Conclusion: For Iowa Rural Sellers, Online Commerce is Disproportionately Important and Competition is Strong**

3C's founder grew up in a rural community with fewer than 2,000 people, where small businesses sold only locally. Today, it is not an overstatement to say the entire world is open for Iowa's rural sellers, especially those that utilize low-cost integrated digital platforms and tools to extend their reach and sell their products.

Rural small business leaders paint a very clear picture of diversity (many sales methods), competition (many choices within each sales method), opportunity (nearly half their sales are to distant customers), and optimism. There is no evidence that Iowa rural sellers lack options, and there is no evidence that Congress forcing changes to online retail platforms will benefit small rural sellers.