

SUPER // SELLING

EXPLORING THE **DIVERSIFICATION** AND **POTENTIAL** OF **RURAL SMALL BUSINESS** RETAIL SALES

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U.S. Research Report // **Fall 2022**

EXECUTIVE SUMMARY

// EXPLORING THE DIVERSIFICATION AND POTENTIAL OF RURAL SMALL BUSINESS RETAIL SALES

Rural Small Business Retail Sales Are Remarkably Diverse: Several decades of public commentary have reduced common thinking about small and medium-sized business (SMB) retail into simple and often binary options like suburban malls vs. Main Street or brick-and-mortar vs. online stores. The truth is far more interesting. The evolution of traditional retail practices alongside the growth of online selling has created a variety of options and aggressive competition for SMB sellers' attention, investment and allegiance.

SMB sellers, including those in the most rural areas of the United States, are savvy, resourceful, and sell goods in many different ways, taking advantage of the various sales methods available to them. In fact, contrary to some popular myths, the broad majority of rural SMB sellers use many methods to reach consumers, including selling both online and offline, via wholesale and traditional brick-and-mortar retail, through online marketplaces, and direct-to-consumer through web stores, social media, and other methods.

This report investigates how rural SMB sellers sell physical goods, which sales methods they favor, and which methods drive most of their revenue. It also presents data about how they sell not only locally but also over long distances at the same time. Finally, we show that rural SMB sellers using more sales methods are generally also more optimistic about the economy and their business' future.



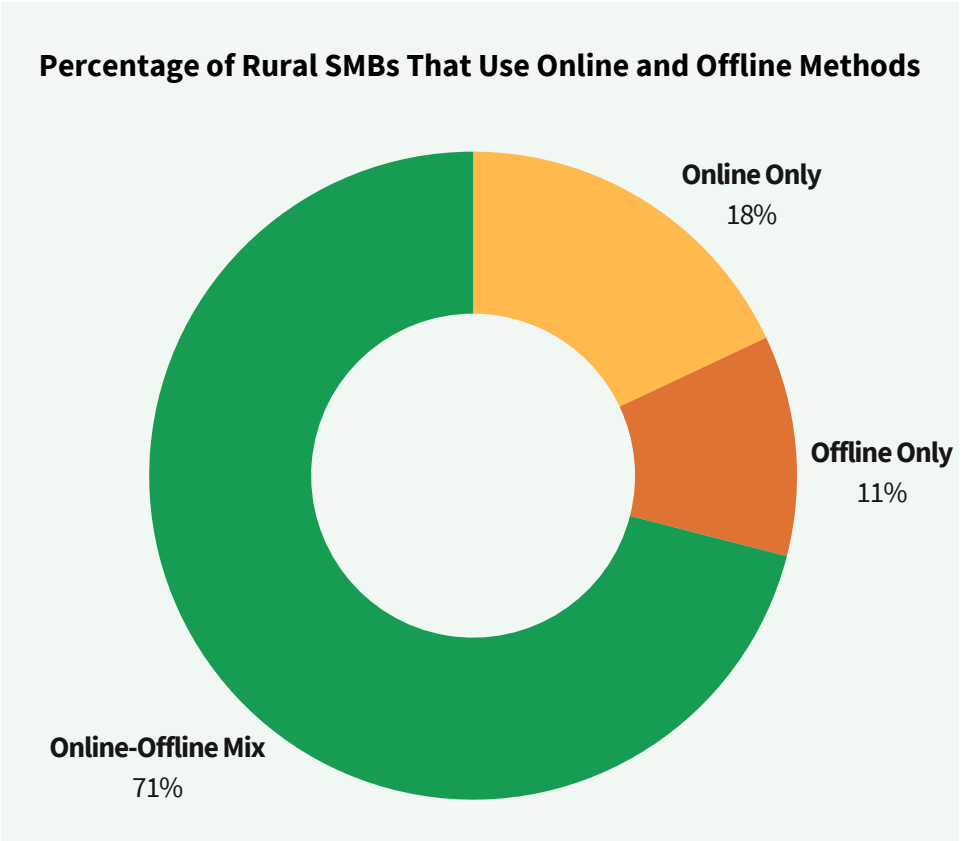
EXECUTIVE SUMMARY

// EXPLORING THE DIVERSIFICATION AND POTENTIAL OF RURAL SMALL BUSINESS RETAIL SALES

Most Rural Small Businesses Sell Goods In More Than One Way: Rural SMB sellers use quite diversified sales methods, with 79% using more than one distinct sales method (e.g., wholesaling and operating a brick and mortar store is two methods). The typical rural SMB seller uses three or four different methods for selling products to consumers, and about 29% use five or more methods. (We describe these methods in more detail in the following pages).

Most rural SMB sellers use multiple sales methods, mixing and matching online and offline channels. Only 18% of rural SMBs sell only online, and only 11% are solely offline. The broad majority (71%) use combinations of online and offline sales methods. We note that even those just selling online or offline typically use more than one method (e.g., web store and an online marketplace, or brick and mortar retail plus wholesale).

While using multiple sales methods can be challenging, it is nevertheless possible to do, even as a relatively tiny business. Indeed, about half (49%) of rural SMBs with fewer than 10 employees use at least three distinct sales methods. While it isn't effortless, it has probably never been easier to learn about, begin using, and maintain a new method of selling goods to customers.



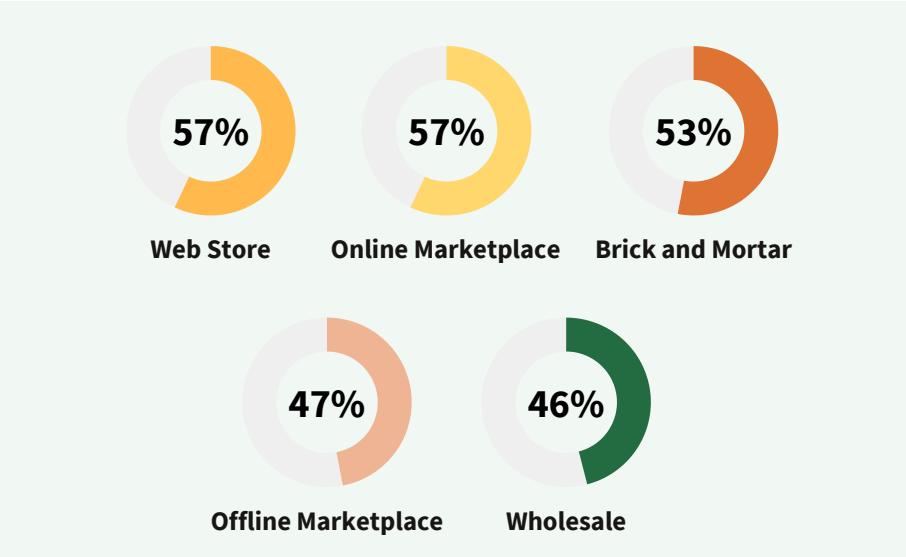
EXECUTIVE SUMMARY

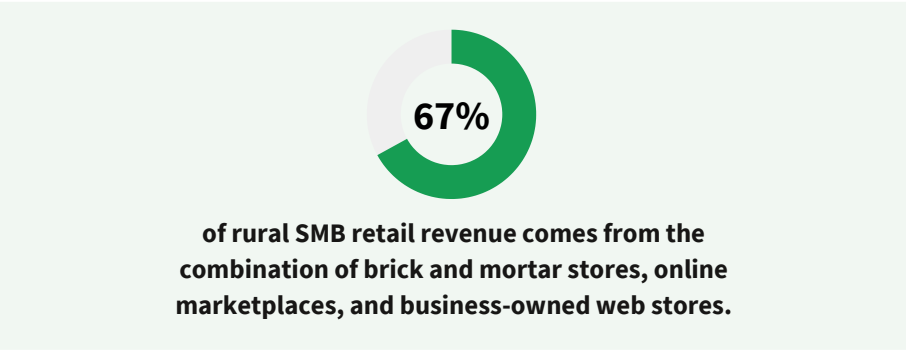
// EXPLORING THE DIVERSIFICATION AND POTENTIAL OF RURAL SMALL BUSINESS RETAIL SALES

Rural Small Business Sales Methods and Revenue Sources Are Highly Diversified: Exactly what sales methods do rural SMB sellers use? Their most popular sales methods are: business-owned web stores (57% of rural SMBs use), online marketplaces (also 57%), brick and mortar retail stores (53%), offline marketplaces such as farmer's markets and similar in-person gatherings (47%), and wholesale (46%). As previously noted, most rural SMB sellers use more than one method for selling their products.

By definition, rural SMBs are located in low-density areas with relatively few customers compared to suburban areas and major cities. Thus, to reach customers outside their local areas, customers must come to them ("destination retail"), or the SMBs must market to customers and sell over long distances. Rural SMB sellers report that business-owned web stores and online marketplaces are the two most effective sales methods for selling to customers outside of the area where rural SMBs are based. (This may partly explain why these are the two most popular sales methods overall).

SMB sellers will tend to only stick with a sales method if it's working for them. Importantly, we found that revenue is also driven through multiple sales methods (a mix of online and offline). Some methods are more important on a percentage basis for driving revenue than others: two-thirds (67%) of rural SMB seller revenue, on average, is driven by a combination of three sales methods: brick and mortar retail stores (27%), online marketplaces (23%), and business-owned web stores (17%).





STORIES OF RURAL SMB SELLERS

// QUOTES FROM RURAL SMALL BUSINESS SELLERS

“

Our brick and mortar store accounts for the vast majority of our bicycle and bike equipment sales…We also handle sales through our website and are constantly looking for new ways to reach our customers.”

Martha Emmons, BikeWorld | Paducah, KY



EXECUTIVE SUMMARY

// EXPLORING THE DIVERSIFICATION AND POTENTIAL OF RURAL SMALL BUSINESS RETAIL SALES

Diversification of Retail Sales Methods Is Associated With Optimism and Success: Diversifying sales methods certainly allows rural SMB sellers to connect with and sell to different customers in different places. But, interestingly, those that use more sales methods are also more optimistic about future sales, business growth, and aspects of the economy than those that use few methods.

Compared to rural SMB sellers using just one or two sales methods, those using 6 or more sales methods are:

- 1.5X as likely to think their 2022 revenue will be higher than 2021 revenue.
- 1.8X as likely to be certain their business will grow over the next 3-5 years.
- 5.6X as likely to rate their local economy as excellent.

Selling in diverse ways allows rural SMB sellers to be agile in the face of economic and societal shocks, giving them a “safety net” when times are tough. Naturally, they also have more optimism about their success - and potential for future success - during better times.



RURAL SMB RETAIL: MAJOR THEMES

// A MODERN LANDSCAPE OF INNOVATION, CHOICE, COMPETITION, AND VALUE

"Old-Fashioned" Sales Methods Are a Substantial Part of Rural SMB Sales: Rural SMB sellers use business-owned web stores (57%) and online marketplaces (also 57%) just slightly more than they use brick and mortar retail stores (53%), offline marketplaces such as farmer's markets, antique shows, and similar in-person gatherings (47%), and wholesale (46%). Interestingly, brick and mortar retail stores drive the highest percentage of revenue of any sales method (27% on average), followed by online marketplaces (23%), and business-owned web stores (17%). Traditional and digital methods together make up contemporary sales strategies.

Selling Many Different Ways is the Norm, Not the Exception: SMB sellers have numerous options when it comes to sales methods that facilitate selling with those methods. 83% of rural SMB sellers have a sales strategy that incorporates more than one distinct sales method, and 29% use five or more methods. The average number of distinct sales methods SMB sellers use is three to four. While this may seem like a lot, SMB leaders have low barriers to entry for adding additional sales methods into their strategies, and online sales methods, in particular, are especially accessible and affordable. Also, using more sales methods is associated with rural SMB leader expectations of higher future revenue and business growth.

Modern Retail is Fluid, With Many Alternatives and Benefits: Within specific sales methods, there are not only multiple options, but rural SMB sellers frequently choose to use more than one option. They can deploy both Shopify and Squarespace to power their Web Store, or sell products on both Amazon and Walmart's online marketplaces. In this fluid retail space, seemingly nothing is permanent or exclusive.



KEY FINDINGS

// THIS REPORT'S MOST IMPORTANT DATA POINTS

- 79% of rural SMB sellers use more than one distinct sales method.
- On average, rural SMB sellers use three to four distinct sales methods.
- Nearly a majority (49%) of even very small rural SMBs with fewer than 10 employees use at least three distinct sales methods.
- Business-owned web stores (57%), online marketplaces (57%) and brick and mortar stores (53%) are the three most popular sales methods used by rural SMB sellers.
- 67% of rural SMB seller revenue, on average, is driven by a combination of brick and mortar retail stores (27%), online marketplaces (23%), and business-owned web stores (17%).
- Amazon Marketplace rural SMB Sellers use four to five sales methods on average.
- 63% of rural SMB sellers on Amazon Marketplace also sell on at least one other online marketplace.
- At least 68% of rural SMB sellers on other leading marketplaces (e.g., eBay, Etsy, Walmart Marketplace, Target Plus) also sell on at least one other online marketplace.
- 54% of rural SMB sales are made to customers within the immediate area, with 40% of sales made outside SMBs' immediate rural area but within the country (16% within the state and 24% outside the state), and 6% made internationally.
- Web stores (36%) and online marketplaces (33%) are the top two sales methods currently most effective in selling to customers outside of the area where rural SMBs are based.
- 89% of rural SMBs that use web store integrations and 91% that use online marketplace integrations say they are valuable to their business.
- Compared to rural SMB sellers using 1-2 sales methods, those using 6-8 sales methods are:
    - 1.5X as likely to think their 2022 revenue will be higher than 2021 revenue.
    - 1.8X as likely to be completely certain about their business' growth over the next 3-5 years.
    - 5.6X as likely to rate their local economy as excellent.

KEY FINDINGS

// THIS REPORT'S MOST IMPORTANT DATA POINTS

- Average gross sales revenue for rural SMBs in 2021 was $161,332.
- A typical rural SMB grosses $43,398 through brick and mortar retail and $64,694 via web store plus online marketplace sales annually.
- 79% of rural SMB sellers use web store integrated tools/services, which save them an average of $15,977 per year.
- 76% of rural SMB sellers use online marketplace integrated tools/services, which save them an average of $16,245 per year.
- 56% of rural SMB sellers project their 2022 revenue will be higher than 2021, by 30% on average (about $48,000).
- 9% of rural SMB sellers project 2022 revenue to drop compared to 2021 - 25% lower on average (about $40,000).
- 77% of rural SMB sellers using >5 sales methods expect year-over-year revenue to grow, compared with only 50% of those using just 1-2 methods, a 27% gap.





STORIES OF RURAL SMB SELLERS

// QUOTES FROM RURAL SMALL BUSINESS SELLERS

“

Diversifying our sales with a local storefront, web store, and wholesale selling has been key to our success...For rural businesses like ours to really succeed, they need to expand beyond the local market. Online sales are a great way to reach customers nationwide and we hope to expand to Etsy and eBay in the near future to take advantage of every online sales opportunity available.”

Erin Valasek, Mountaineer Popcorn | Shepherdstown, WV

INTRODUCTION

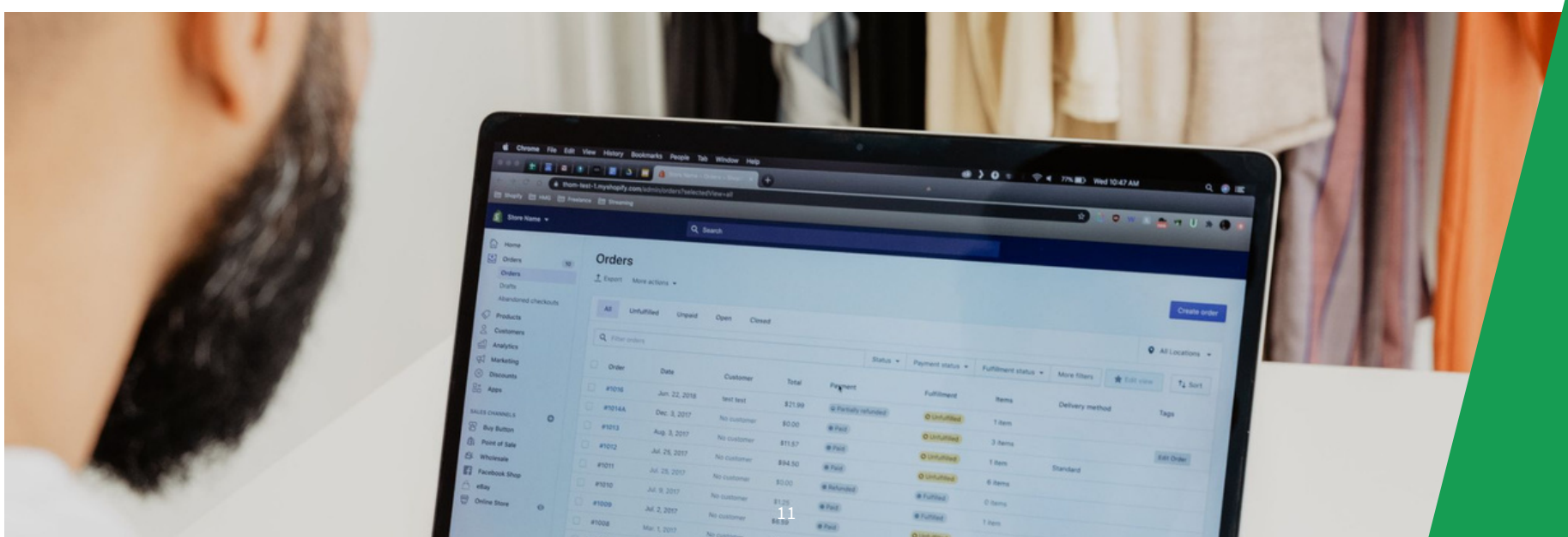
// HOW CONTEMPORARY RURAL SMALL BUSINESSES REACH CONSUMERS AND SELL PRODUCTS

A Small Business (R)evolution From Regular Selling to Super Selling: Selling goods to customers is a distinctly human practice nearly as old as civilization itself. But for millennia - until quite recently, in fact - most retailers were largely confined to selling to customers near the physical location where they were based. This is especially a challenge for rural-based businesses, where there is a lower density of both customers and commerce.

Fast forward to the 2020s, in which millions of small and mid-sized businesses (SMBs) in the United States and elsewhere have been confronted by special challenges during the COVID-19 pandemic, and more recently, with inflation, supply chain, and workforce issues. Those that made it through the pandemic, however, experienced an acceleration in the use of digital tools, marketplaces, and platforms for selling goods, giving SMBs more opportunities, agility, and resilience.

Despite everything the typical SMB has been through lately, there's probably never been a better time in history to be a SMB retailer. This is for the simple reason that there have never been more choices that the leaders of SMBs can make about methods to efficiently and relatively inexpensively connect with consumers and sell their products.

A "store" used to mean some combination of a commercial lease, a warehouse, a loading dock, and customers walking in and out at assigned hours of the day. Now, it still means that, but it can also mean a website, 24/7 shopping, remote sales, and drop-shipped products. Welcome to the world of "Super Selling."



INTRODUCTION

// HOW CONTEMPORARY RURAL SMALL BUSINESSES REACH CONSUMERS AND SELL PRODUCTS

Rural SMB Selling Comes With Unique Challenges: Running a SMB is a challenging endeavor full of concerns about access to capital, retaining employees, intense competition, and the next coming shock or surprise that could disrupt carefully made plans. Typically, SMBs have a high failure rate for all these reasons and more. Rural SMB sellers, however, face additional challenges that make it even harder to find customers and sell goods to them. Unlike retailers in dense urban areas or built-up suburbs, rural SMB sellers are located in areas with a lower density of customers, supplies, and other commerce. Thus, rural SMB sellers need to compensate for less "foot traffic" sales than their more urban counterparts.

Rural SMBs face more "destination sale" scenarios, in which they have one opportunity to sell to a customer who is visiting from outside the local area and visiting a brick and mortar store, or perhaps a farmer's market or similar gathering. And in some areas, internet and phone connectivity can be subpar, potentially impacting an SMB retailer's utilization of digital tools, and their collaboration with employees and vendors. All of this makes business more challenging for SMB sellers located in more remote areas.



INTRODUCTION

// HOW CONTEMPORARY RURAL SMALL BUSINESSES REACH CONSUMERS AND SELL PRODUCTS

Meet the Contemporary Rural SMB Seller: This report describes how rural SMB retailers actually operate their businesses in the modern retail environment. The traditional way of thinking about SMB selling was a "mom and pop" or "main street" business, a physical location or two, and low-tech operations, while sophisticated sales strategies were the domain of only larger companies selling many products that could afford to buy software and manage various sales channels.

The scenario above is no longer true, particularly with an acceleration of SMB use of digital technologies during the pandemic. If they choose (and many do), rural SMBs can access inexpensive digital tools to power new ways of selling, while not undermining more traditional retailing. Nowadays, SMB sellers with just a handful of people or a single owner/operator can and do deploy sophisticated sales strategies.

This report provides a framework for understanding the diverse sales methods that rural SMB sellers use today. While a single sales method can be used by itself, when used in thoughtful combinations with each other they form powerful and successful sales strategies that in turn can accelerate sales, growth, and overall success.



RETAIL **VOCABULARY**

// EXPLAINING TERMINOLOGY USED IN THE REPORT

Small- and Medium-Sized Business (SMB): In the U.S., an SMB is generally defined as a business that has 0-500 employees. (Zero employees in this context indicates a sole proprietorship with an owner / operator). This research exclusively studied U.S.-based SMBs.

SMB Sellers or SMB Retailers: This report defines SMB sellers/retailers as all SMBs that sell physical goods, either wholesale or retail or both, using any methods available to them.

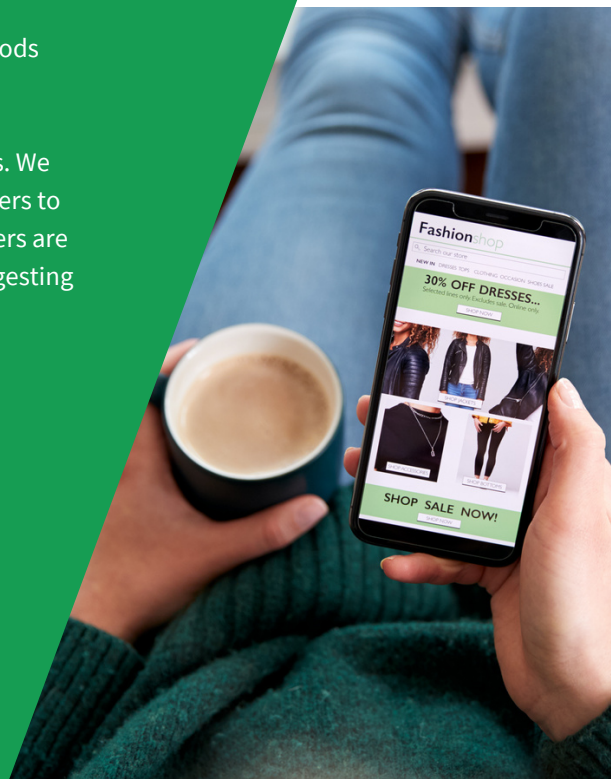
Sales Methods: A "sales method" is a generic way or "mechanism" of selling a product to a customer. Examples of sales methods including selling through a physical retail store and selling through an internet-based store that an SMB seller owns (i.e., company.com). Sales methods are agnostic to any specific company, technology, tool, or platform being used. This report examines eight (8) specific sales methods that comprise virtually all SMB selling in the United States.

Analyzing the Strategies of SMB sellers: A "sales strategy" in this report is simply a combination of sales methods. There are many possible combinations of sales methods, and SMB sellers can change them over time, but one simple way to understand the approach of different SMB sellers is to count the number of sales methods they are deploying.

For the purposes of analysis, this report defines three segments of SMB sellers based on the number of sales methods currently deployed by an SMB Seller. While these segments are "synthetic" (in other words, created specifically for the analysis here), understanding SMB Seller behavior at the high, low, and middle of the spectrum is insightful. The three segments are:

- **Simple Sellers:** SMBs using 1-2 different sales methods
- **Advanced Sellers:** SMBs using 3-5 different sales methods
- **Super Sellers:** SMBs using 6-8 different sales methods

As part of this research, we measured several variables associated with how many methods an SMB Seller uses. We compare the extremes of Super Sellers and Simple Sellers to extract the most "signal" from the data. Advanced Sellers are virtually always at a midpoint between the others, suggesting a continuum for many things we measured.



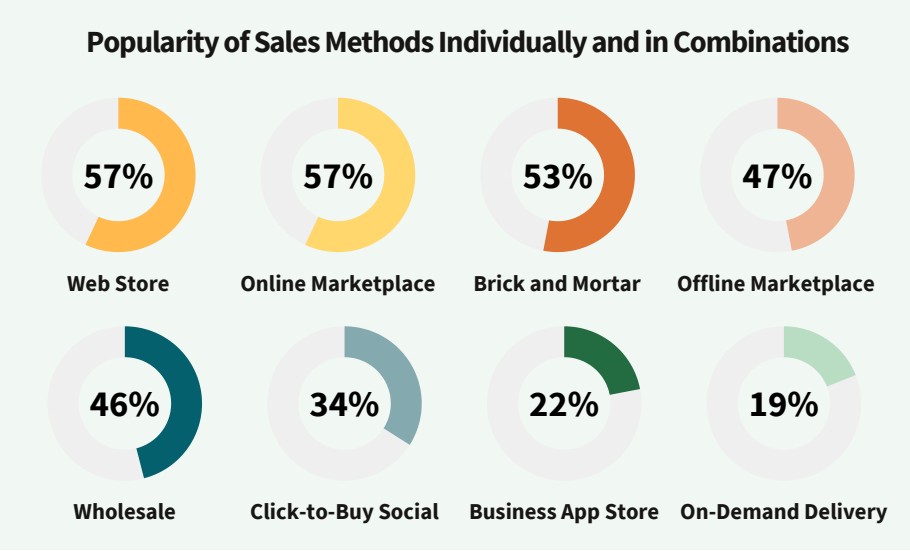
DIVERSE **SALES METHODS**

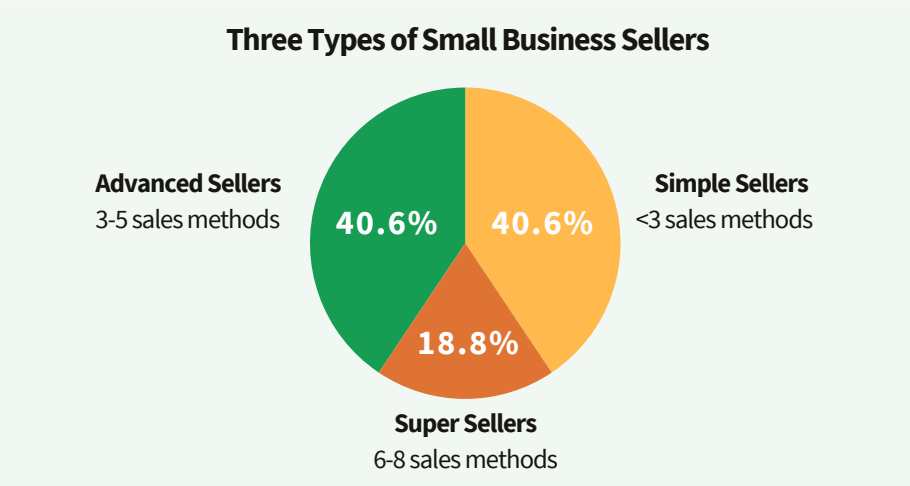
// TYPICAL RURAL SMB SELLERS USE 3-4 DIFFERENT METHODS TO SELL PRODUCTS

There Are Eight Primary SMB Sales Methods: Our 2021 report, Super Selling: How Contemporary Small Businesses Reach Customers and Sell Products, identified and defined the eight primary sales methods by which SMBs sell products today. These account for virtually all the ways SMBs sell products, and we applied the same framework to this study of rural sellers (only ~4% of SMBs reported using other methods at all, which does not preclude them from also using the ones described here; relatively rare methods include phone sales and door-to-door sales).

Popularity of Different Sales Methods: Overall, many SMB sellers use each of these online and offline sales methods. The top five most popular sales methods are: web stores (in use by 57% of SMB sellers), online marketplaces (also 57%), brick and mortar (53%), offline marketplace (47%), and wholesale (46%). Interestingly, the two most popular methods are online, but the next three three are more "traditional" offline sales methods. For most of this report, we will focus on these five most popular sales methods used by a majority or near-majority of rural SMB sellers.

Using Multiple Sales Methods: SMB sellers can, of course, choose to deploy more than one sales method at the same time in a more sophisticated sales strategy. Most do: 79% of SMB sellers employ more than one sales method, and the average number of sales methods deployed is between three and four. Using a framework from our earlier report, 40.6% of rural SMB sellers are Simple Sellers (using two or less sales methods) and 40.6% are Advanced Sellers (3-5 methods), and 18.8% are Super Sellers (6-8 methods).





SALES **METHODS**

// DEFINING SMB SELLER PRIMARY SALES METHODS

Brick and Mortar: Direct-to-consumer retail sales through a traditional physical store at a fixed address (i.e., "offline" sales). [*hardware store, wine store, clothing boutique*]

Wholesale: Selling in bulk to other companies who then sell them to consumers. (The companies sold to can be physical or digital or a combination of the two, and the wholesale deals can be conducted in person, online, on the phone, or any other means). [*grocery stores, department stores*]

Web Store: Direct-to-consumer retail sales online through a web-based virtual store that it owns - most likely an e-commerce-enabled company-branded website located at the company's URL. [*Shopify, WooCommerce*]

Online Marketplace: Retail sales to consumers via a different company's marketplace which hosts many business sellers at the same URL. [*Amazon.com, eBay, Walmart Marketplace*]

Offline Marketplace: Direct-to-consumer retail sales through another organization's physical ("offline") marketplace location which hosts many other business sellers (e.g., farmer's market, flea/street market, auction house, etc. including common spaces for pop-up stores or food trucks). [*farmer's market, auction house*]

On-Demand Delivery: Consumer retail sales facilitated by another company's "instant" or "on-demand" delivery service, whereby the other company both takes the order and delivers the first company's product. [*DoorDash, Drizly, NowRx*]

Click-To-Buy Social: Consumer retail sales directly facilitated by another company's "click to buy" social media functionality. [*Facebook Marketplace, Instagram Shop, Pinterest Product Pins*]

App Store: Direct-to-consumer retail sales online through an app-based (i.e., the company is the publisher of the app). [*iOS app, Android app*]

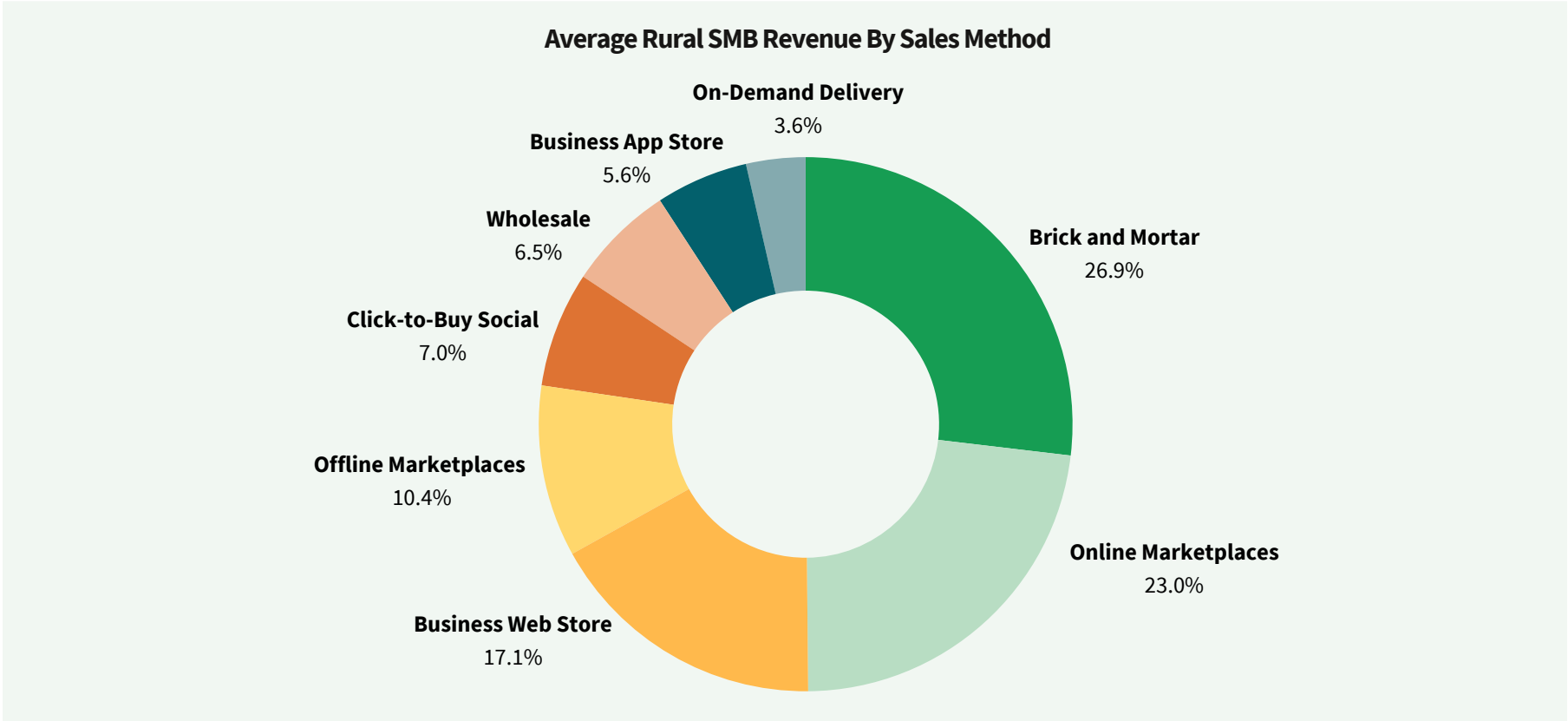


DIVERSE **REVENUE STREAMS**

// RURAL SMB SELLERS GET SIGNIFICANT ONLINE AND OFFLINE REVENUE

Diversified Revenue Streams: The three most popular sales methods are also the ones that bring the most revenue to rural SMB sellers, and they represent both online and offline sales. Brick and mortar stores are the single largest revenue generator (27% of revenue), followed by online marketplaces (e.g., Amazon.com, eBay, Etsy) (23%) and business-owned web stores (powered by for example Shopify, Squarespace, WooCommerce) (17%). Together, these three methods make up 67% of average rural SMB seller revenue.

Non-Revenue Reasons to Keep Using Sales Methods: Revenue is very important, but we also know through interviews with rural SMB leaders that sales methods are used for reasons beyond simply driving sales. For example, offline marketplaces (10% of revenue) can be an important way to engage a businesses' biggest "fans" in a local community. Wholesale (6.5% of revenue) can be a positive way to build brand awareness with larger retailers of others' goods (i.e., a rural brick and mortar store selling kitchen products).





STORIES OF RURAL SMB SELLERS

// QUOTES FROM RURAL SMALL BUSINESS SELLERS

“

While we started as a neighborhood hardware store, online sales through our website, Amazon, Walmart, and eBay allow us to sell our appliances and tools to folks all over the country…We are grateful that we have so many options to help us reach customers in our community through our store, but also nationwide online.”

Glenda Lehman Ervin, Lehman's | Kidron, OH

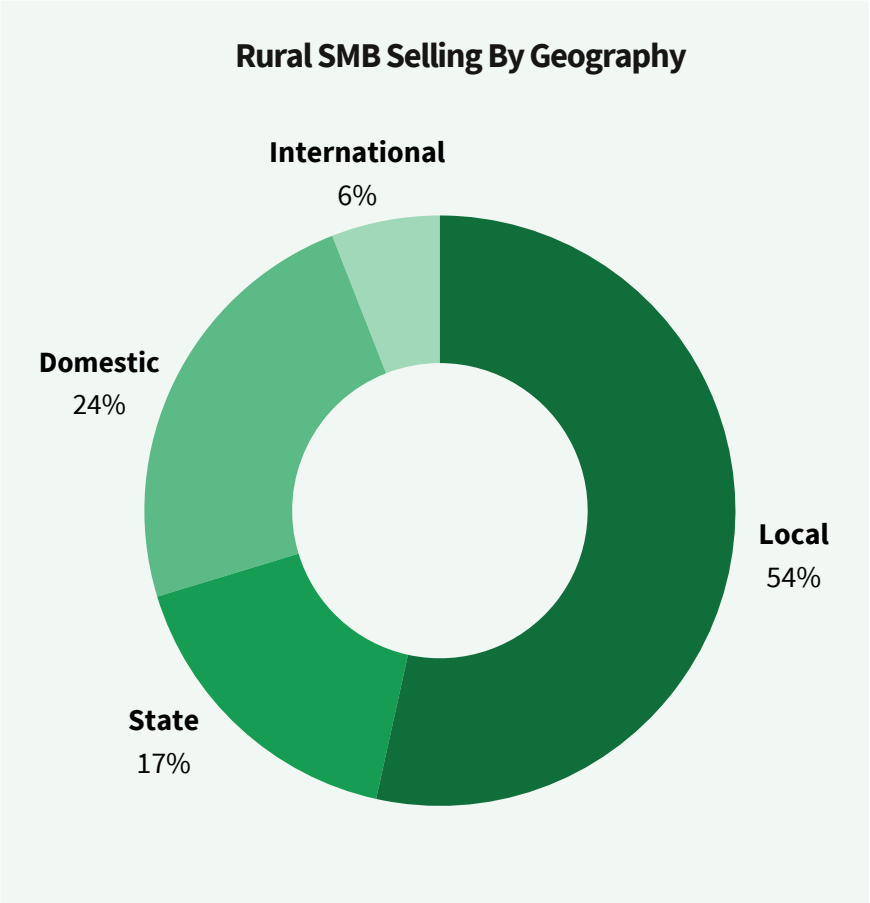
SELLING **LONG DISTANCE**

// ONLINE SALES METHODS ARE MOST EFFECTIVE FOR LONG-RANGE RURAL SMB SALES

Rural SMBs Sell Both Locally and Globally: Many rural SMB sellers have a two-pronged sales strategy. First, they cultivate important relationships and customers in their local areas, and engage in-person in brick and mortar stores, at offline marketplaces, and other community gatherings. Second, they sell beyond their rural "borders" to other parts of the state, to other states, and even internationally. On average, just over half of rural sales (54%) are made locally and the rest (46%) are made at a distance.

Online Sales Drive Commerce Outside Local Rural Areas: Over three-quarters (77%) of rural SMB sellers said digital technologies were important for selling goods over long distances. Specifically, web stores (36%) and online marketplaces (33%) are the top two sales methods currently most effective in selling to customers outside of the area where SMBs are based. Brick and mortar stores are third (27%); this can happen in several ways, including: catalog sales, sales directly phoned into retail stores, and "destination sales" in which tourists seek out a business while in the area.

Sentiment About SMB Growth Through Long-Range Sales: Most rural SMB sellers see long-distance sales as part of their growth. 83% of rural SMB leaders are at least somewhat optimistic that their business will increase sales outside of the area where the business is based in the next year, with 60% very optimistic.



STORIES OF RURAL SMB SELLERS

// QUOTES FROM RURAL SMALL BUSINESS SELLERS

“

We sell handmade soaps and candles in all sorts of ways – in our store, on our website, and even local farmers markets… Online sales represent a real growth area for us, and we hope to start selling on Etsy and maybe other online marketplaces in the future to ensure we’re reaching as many customers as possible.”

Lora Knaack, L&K Homestead | Pierson, IA



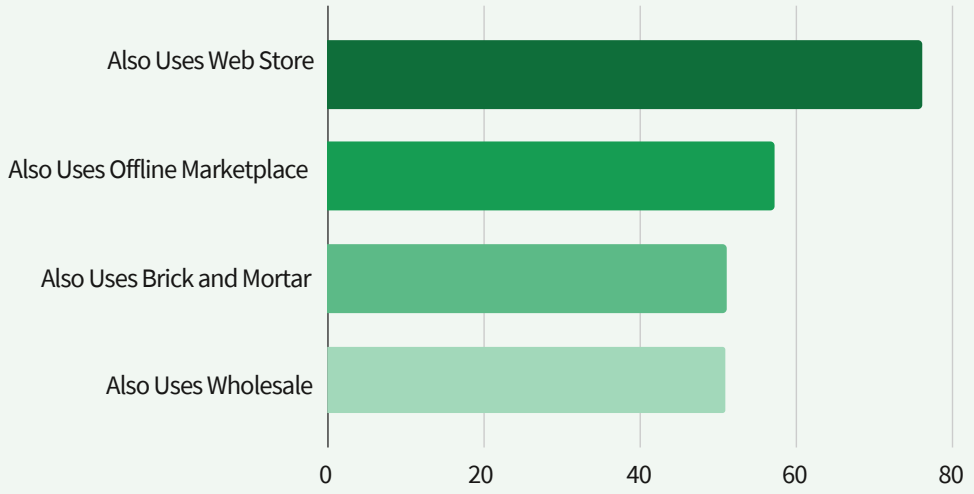
CHANNELS WITHIN **SALES METHODS**

// RURAL SMBS USE MULTIPLE SALES METHODS IN MANY COMBINATIONS

Rural SMBs Selling With More Than One Method is Prevalent: Rural SMB sellers rarely sell using just one method. We took a closer look at one of the more popular methods, online marketplaces, in this regard. A whopping 95% of rural SMBs selling on an online marketplace also use at least one other sales method; 80% use three or more and nearly a majority (46%) use five or more.

Rural SMBs Use Multiple Sales Methods in Many Combinations: Rural SMB sellers use every possible combination of sales methods. Taking online marketplaces as an example, a majority of the rural SMBs that use them (57% overall) also use each of the other four top sales methods (see graph). For example, 76% of rural online marketplace sellers also sell through a web store, while 51% also operate a brick and mortar retail store.

Rural SMB Seller Use of Popular Sales Methods Conditional on Using Online Marketplaces

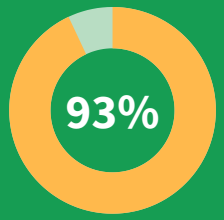


Deeper Dive - Amazon Marketplace: Because Amazon's online marketplace is very popular and frequently in the news, we took a closer look at how rural SMB sellers use it in context. Rural SMBs are highly unlikely to run their entire business on an online marketplace, including Amazon's: 87% of Amazon Marketplace rural SMB sellers use three or more different sales methods.

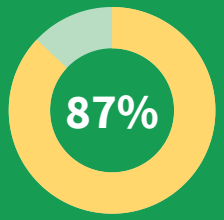
Rural SMB sellers also frequently use more than one option *within* a specific sales method like online marketplaces: 63% of rural SMB sellers on Amazon's Marketplace also sell on at least one *other* online marketplace. This likely to be a strategy to meet customers where they are, as customers will have preferences for using different online marketplaces such as eBay, Walmart Marketplace, and Etsy.

FAST **FACTS**

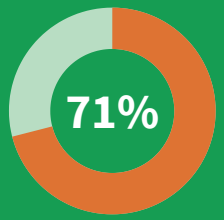
// INSIGHTS ABOUT THE OUTLOOK OF RURAL SMBS



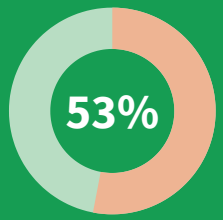
are optimistic that their SMB will grow in next 3-5 years, with 65% very optimistic.



are optimistic the local rural economy will grow in next 3-5 years, with 52% very optimistic.



rate the status of the U.S. economy as fair or poor, only 29% rating it good or excellent.



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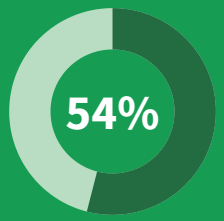


rate the state of their industry as good or excellent, while only 46% rate it fair or poor.



SMB **LEADER ATTITUDES**

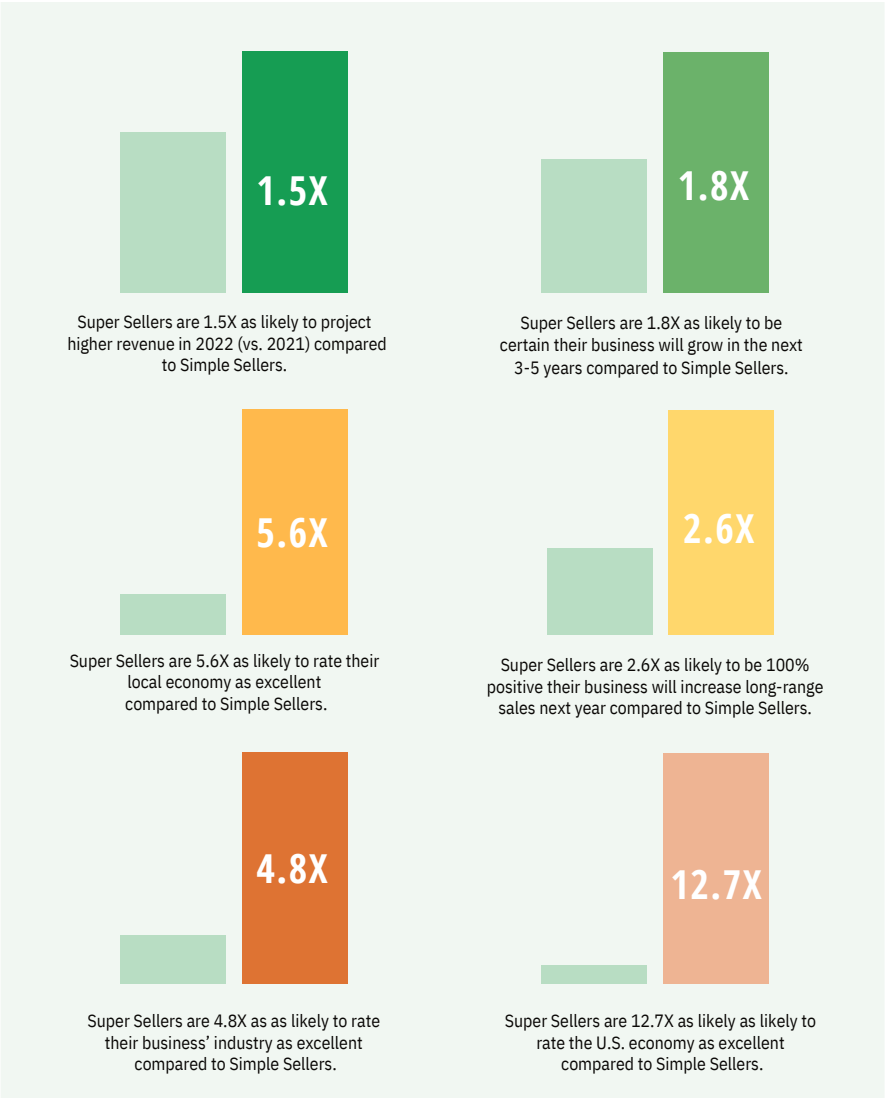
// DIVERSIFYING SALES METHODS IS ASSOCIATED WITH OPTIMISM AND SUCCESS

Leaders of rural SMB sellers using more sales methods are more optimistic about their businesses, their industries, and the U.S. economy. Compared to rural SMB sellers using just 1-2 sales methods ("Simple Sellers"), rural SMB sellers using 6-8 methods ("Super Sellers") are far more positive about their own business' growth, revenue, their industry, and the economy. It's almost as if the two groups are observing different economies.

- **Optimism:** Super Sellers compared to Simple Sellers are twice as likely to be completely certain about their local economy growing over the next 3-5 years; 1.8X as likely to be completely certain about their business' growth over the next 3-5 years, and 2.6X as likely to be completely certain that their business will increase sales outside their local area during the next year.

- **Revenue:** Super Sellers compared to Simple Sellers are 1.5X as likely to think their 2022 revenue will be higher than 2021 revenue.

- **SMB Industry and Local and U.S. Economy:** Super Sellers compared to Simple Sellers are 12.7X as likely to rate the overall U.S. economy as excellent; 5.6X as likely to rate their local economy as excellent; and 4.8X as likely to rate their business' industry as excellent.

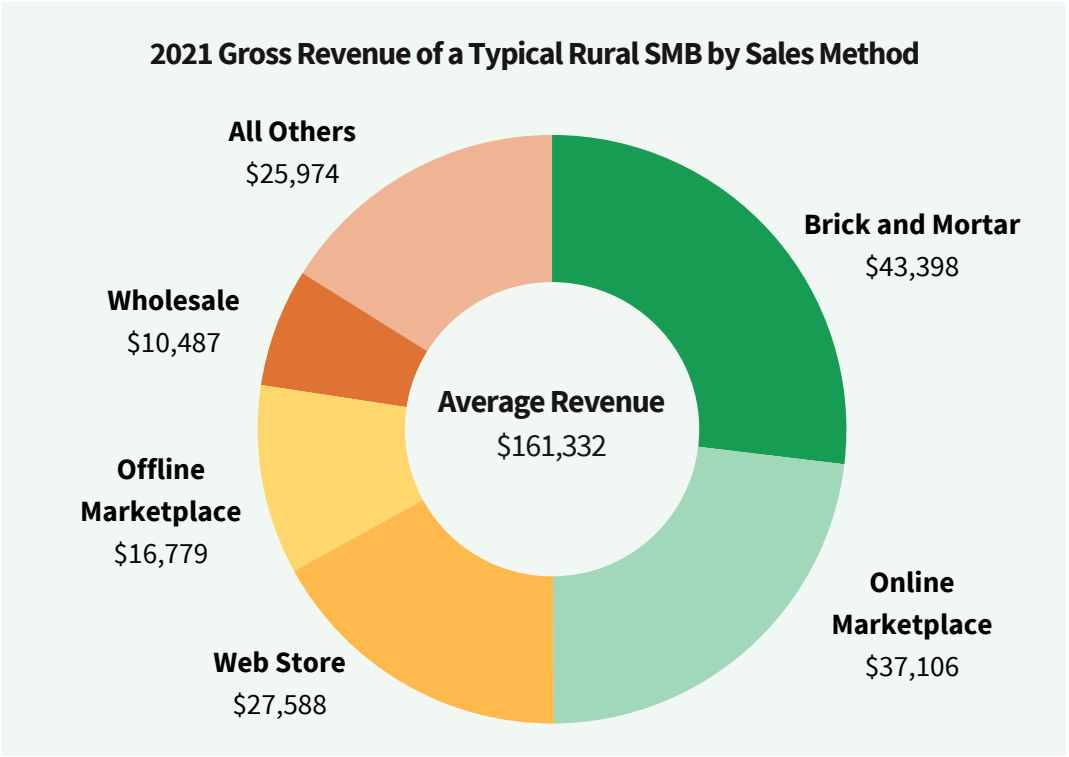


BALANCE SHEETS

// THE ECONOMICS OF RURAL SMB SELLER SUCCESS AND GROWTH

Sales Revenue of a Typical Rural SMB by Sales Method:
Here, using the average revenue of a rural SMB seller from our survey, we break down sales revenue by channel in dollars. While we caution that there exists a wide range of rural SMB revenue (from nearly nothing to millions of dollars), it is nevertheless useful to understand the "bottom line" of a typical rural SMB.

- The average gross sales revenue for rural SMBs in 2021 was $161,332.
- 84% of revenue comes from the five most popular sales methods.
- A typical rural SMB grosses $43,398 through brick and mortar retail sales.
- A typical rural SMB grosses $64,694 via web store plus online marketplace sales.





STORIES OF RURAL SMB SELLERS

// QUOTES FROM RURAL SMALL BUSINESS SELLERS

“

We sell our oranges and related products through our brick and mortar store, wholesale to major grocery stores, and on our website, among other channels…Having those options available to us is important because it allows us to reach customers both locally with our store, regionally through our wholesale partners and across the country with online sales."

Kim Jones, Florida Georgia Citrus | Monticello, Florida

BALANCE SHEETS

// RURAL SMB SELLERS SAVE BIG MONEY USING INTEGRATED DIGITAL TECHNOLOGIES

Rural SMB Sellers Save Significant Money by Using Integrated Digital Tools and Services: Both web stores and online marketplaces offer additional services beyond sales transactions that are seamlessly "integrated" into the platform to add value through reduced costs, increased sales, and/or a better customer experience. Popular examples of this are Fulfilled by Amazon (FBA), Shopify Fulfillment Network, and Walmart Fulfillment Services. We found that the typical rural SMB seller saves significant money by taking advantage of such integrated digital technologies on popular online sales platforms.

Web Stores

- 79% of rural SMB sellers use at least one web store integration.
- 89% of rural SMBs that use web store integrations say they are valuable to their business.
- 97% of rural SMBs that use web store integrations say that they add value by some combination of saving time, saving money, or reducing complexity, with 44% saying integrations do all three.
- Rural SMB leaders who use them report that Web Store integrations save their business an average of $15,977 per year (equivalent to about 10% of a typical rural SMB seller's annual gross revenue).
- Rural SMB sellers that sell through web stores and use their available integrated tools and services have average gross sales of $27,588 and estimated savings of $15,977, suggesting the **total annual value of web stores to the typical rural SMB sellers is $43,565.**

Online Marketplaces

- 76% of rural SMB sellers use at least one online marketplace integration.
- 91% of rural SMBs that use online marketplace integrations say they are valuable to their business.
- 99% of rural SMBs that use online marketplace integrations say they add value by some combination of saving time, saving money, or reducing complexity, with 42% saying integrations do all three.
- Rural SMB leaders who use them report that Online Marketplace integrations save their business an average of $16,245 per year (equivalent to about 10% of a typical rural SMB seller's annual gross revenue).
- Rural SMB sellers that sell through online marketplaces and use their available integrated tools and services have average gross sales of $37,106 and estimated savings of $16,245, suggesting the **total annual value of online marketplaces to the typical rural SMB seller is $53,351.**

UNTAPPED **POTENTIAL**

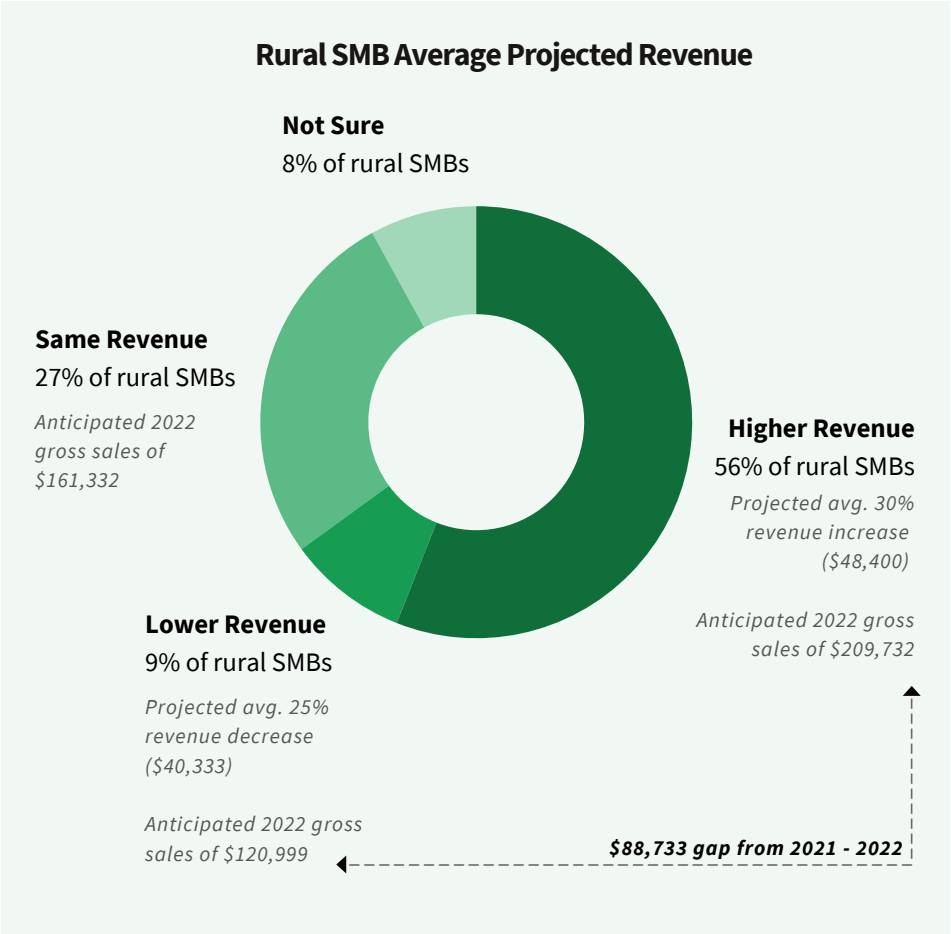
// HOW RURAL SMB SELLERS VIEW THEIR FUTURE PLANS FOR SUCCESS AND GROWTH

Digital Technologies Are A Key To Rural SMB Seller Growth: When asked about the role of digital technologies (including any digital/online stores, marketplaces, platforms, software, services, tools, and data sources) in their planned growth, 80% of rural SMB sellers say they will play a valuable and important role.

Rural SMB Anticipated 2022 Growth (or Loss): The majority of rural SMB sellers anticipate growth this year, while another quarter predict steady year-over-year sales. 56% believe their 2022 revenue will be higher than 2021 revenue, by 30% on average (about $48,000). Meanwhile, 27% of rural SMB sellers project steady revenue from 2021 to 2022. But while they are a relatively smaller group, 9% of rural SMBs project 2022 revenue to drop -25% lower (about $40,000) on average, which could be devastating.

Super Sellers Expect Dramatically Higher 2022 Growth Than Simple Sellers: An even higher percentage (77%) of Super Selling rural SMBs expect year-over-year revenue to grow, compared with only 50% of Simple Sellers, a 27% gap. Subsequently, lower percentages of Super Sellers expect the same or lower revenue (not shown).

Rural SMB Sellers Plan To Increase Online Sales Methods the Most: Across all sales methods, web stores and online marketplaces have the most 'momentum' toward increased usage among rural SMB sellers. 48% of rural SMB sellers already use web stores and plan to maintain (22%) or increase (26%) current levels of use (most of the remainder do not use), while 46% of rural SMB sellers already use online marketplaces and plan to maintain (20%) or increase (26%) current levels of use. (Not shown: These two sales methods were also the least likely to fall into the category of not being used, with no interest in using).





STORIES OF RURAL SMB SELLERS

// QUOTES FROM RURAL SMALL BUSINESS SELLERS

“

We sell our cherry products in almost every way possible – in our two [brick and mortar] stores, on our website, wholesale, on Amazon, and with Facebook click-to-buy…For a small town business to be successful, you really need to take advantage of all the amazing ways to share our product with new customers, increase sales and earn more revenue, and that means selling online.”

Pam Montgomery, Chukar Cherries | Prosser, WA

CONCLUDING **THOUGHTS**

// MODERN RETAIL MEANS CHOICE, COMPETITION, AND VALUE FOR RURAL SELLERS

Modern Retail is Full of Opportunities for Rural SMB Sellers: *Mittelstand* is a term most commonly used in Germany to describe SMBs that are so-called "hidden champions." These Mittlestand businesses characteristically have strong local roots in a community, are often family-owned, have global reach and influence, have experienced success over many decades, and are nevertheless relatively obscure.

There are some parallels between these Europe-based "hidden champions" and many rural SMB sellers in the United States, including ones we spoke with during the course of this research (see: Stories of Rural SMB Sellers). While most if not nearly all have strong local connections to their communities, and many are family owned-and-operated, they increasingly are seeing success come from selling outside their rural communities.

While currently only about 6% of rural SMBs sell internationally, that is sure to increase over time, driven in part by online sales and integrated digital tools and services. Increasing diversification in both sales methods and customer geographies will naturally add both agility and stability to these small businesses that comprise an important part of the U.S. economy.



CONCLUDING **THOUGHTS**

// MODERN RETAIL MEANS CHOICE, COMPETITION, AND VALUE FOR RURAL SELLERS



Diversified Revenue Strengthens Small Rural Businesses: The traditional way of planning a SMB sales strategy was to stick to one or two sales methods: wholesale with one brick and mortar location, or perhaps brick and mortar with a simple web store. Managing multiple sales methods was a lot of work, and SMBs faced major tradeoffs in doing so.

But today, many methods of selling have relatively low barriers to entry, and online sales methods, in particular, are especially accessible and affordable. And while traditionally SMBs might have thought of themselves as an "online" or "offline" business, those lines have become blurred, and very few do just one or the other anymore. Contemporary rural SMBs mix-and-match sales methods in ways that suit their particular business, industry, type of products, customer profile, budget, and location.

Rural SMB sellers, even the tiniest ones, nowadays frequently sell their products using many different methods including traditional brick and mortar retail and wholesaling, but also online methods like web stores and online marketplaces. The latter are not only among the most popular methods for rural SMB sellers but they have the most “momentum” for growth in popularity. In turn, these digital methods, tools, and platforms are offered by many different companies that compete for rural SMBs as customers.

In conclusion, selling by rural-based SMBs is competitive and fluid; there appear to be many realistic choices and alternative ways to sell products that are helping SMBs succeed, creating even more value.

Stories of Rural SMB Sellers

LADY VET APPAREL | LAKE HAVASU CITY, ARIZONA

193 MILES NORTHWEST OF PHOENIX

// **STACY LEE, FOUNDER AND OWNER**



Combat veteran Stacy Lee will never forget her time serving in Operation Desert Storm. She'll also never forget the times where others assumed the veteran-themed apparel Stacy wears belongs to her husband, or hesitated before thanking her for her service.

That's why Stacy founded Lady Vet Apparel, a clothing and accessories shop that sells apparel tailored for female veterans. The shop donates its proceeds to charities providing support and relief to veterans. "Women in the military – no matter what branch – have always made up less than 2% of the forces," Stacy says, "But we have performed just as well as our male counterparts, while dealing with the stigma of being a female in the military." In Stacy's view, female veterans should feel empowered to sport veteran attire without worrying that people will assume it isn't theirs. Lady Vet Apparel began as a "one woman show" but has since evolved to a "three woman show," all of whom are veterans.

Stacy sells her apparel while connecting with her local community. She knocks door-to-door, spreads the word during conversations, and participates in craft shows, patriotic events, and other types of offline marketplaces to sell her apparel. Stacy's more traditional, offline sales methods have been pivotal in Lady Vet Apparel gaining traction, driving sales, and securing repeat customers.

Stacy tried several different online sales methods, but things improved "when I discovered Shopify - it works for me," Stacy told us.

FLORIDA GEORGIA CITRUS | MONTICELLO, FLORIDA

27 MILES NORTHEAST OF TALLAHASSEE

// **KIM JONES, FOUNDER AND OWNER**



Kim Jones was in the tractor business for 48 years – until his grandchildren, who have a particular fondness for satsuma oranges, inspired him to start a citrus farm. Florida Georgia Citrus began as an "all hands on deck" family operation in 2014. Before long, Kim's small orchard of about 800 trees soon flourished into a grove of 5,800 trees carrying five different varieties of satsuma oranges. Florida Georgia Citrus' oranges reach its consumers in many different forms – juice, syrup, jams, jellies, slushies, whole oranges, and even soap.

Florida Georgia Citrus sells its products at a brick and mortar location (their farm), which is especially popular during citrus season. They're also regulars at their local farmer's market, where their slushies and juice work wonders cooling off their fans in the Florida heat.

Even online, Florida Georgia Citrus stays in touch with their local community. Its web store is most frequently shopped by locals, and they participate in a niche online marketplace, the Red Hills Online Farmers Market, a marketplace of about 50 local growers that aggregates products and delivers them directly to customers.

Kim also works with a variety of retailers to wholesale their products. "Our oranges are in just about any major grocery store chain along the Northeast you've heard of," Kim shares. Trader Joe's is their largest customer, but their bags of oranges find a home in the produce sections at Harris Teeter, Winn Dixie, and Publix, too. You'll also find their oranges in some school cafeterias.

From Kim's point of view, their additive-free, 100% satsuma orange juice is what's next for the company. Kim hopes to see his orange juice sales expand outside of Florida in the coming years.

MARIPOSA COFFEE COMPANY | MARIPOSA, CALIFORNIA

75 MILES NORTH OF FRESNO

// **GERRY CAPUTO, FOUNDER AND OWNER**

When Gerry Caputo and his wife started Mariposa Coffee Company in the fall of 1991, they had just moved their family from the Bay Area to the rural mountain community of Mariposa near Yosemite National Park. “I wanted to do something in this small community that nobody else was doing,” recounts Gerry, “I decided to look into what Yosemite Park needed, and I found Yosemite National Park bought and sold over 170,000 pounds of coffee.”

“It wasn’t an easy start,” Gerry says. They pieced together a roaster – that they affectionately call the “Frankenroaster” (“since it kinda looks like the Frankenstein monster”) – and began the long process of learning to roast the perfect batch of coffee. They knew they wanted to capture the health benefits of coffee and showcase its plentiful flavor offerings, without distorting the brew with bitterness. “Before YouTube and Siri, we learned from encyclopedias and trial and error,” Gerry says. Eventually, following lots of hard work, ingenuity, and good old-fashioned perseverance, they created the revolutionary process they use today.

A true family operation, Gerry, his wife, and children all have a hand in the business as it stands today. “It’s gonna go into the future with the family still running it.” Customers can find Mariposa Coffee Company’s high-quality and affordable coffee, mugs, and more at their brick and mortar store located on the historic 49er Trading Post and on their web store powered by WooCommerce. They also sell their products wholesale. “You need to have multidimensional channels and opportunities to run a business in this climate,” Gerry notes.

The local community serves as an inspiration to Mariposa Coffee Company. “They’re proud of having a coffee roasting business in their small community,” Gerry beams, “And I’m proud to represent them.”



JEFF'S FAMOUS JERKY | BIG BEAR LAKE, CALIFORNIA

100 MILES EAST OF LOS ANGELES

// **JEFF RICHARDS, FOUNDER AND OWNER**



When Jeff Richards was just a hungry teen in the early 1970s, he realized his favorite snack – beef jerky – had the potential to be so much better. It was then that Jeff jump started his entrepreneurial career by buying his first ever dehydrator and began what would become thousands of hours of experimentation. Eventually, Jeff succeeded in creating beef jerky the way he envisioned it could be: intensely full of flavor, soft and tender with the taste and texture of a fine steak but without the chemical preservatives.

The Jeff's Famous brand first launched their business during the Great Recession of 2010 with only a few thousand dollars. Today, the company is proud to say that they have sold millions of bags of Jeff's Famous beef jerky. The Jeff's Famous brand continues to expand by leaps and bounds through eight growing channels of distribution: wholesale to large distributors, direct-to-retail stores, vendors at events, direct-to-consumer online (via their web store powered by WooCommerce and storefront on Etsy), direct-to-consumer events, wholesale to online stores, two brick-and-mortar locations, and private label.

"Online methods drive roughly 85% of our business - not just in sales but also in how they attract customers in the first place," says Jeff. "Local retailers who buy from us wholesale have also been instrumental to our brand recognition," remarks Jeff. "They carry our jerky products in so many different places around town – from movie theaters to coffee shops – enabling us to consistently reach customers in different environments."

Jeff looks forward to leaving the stresses, problems, and issues brought about by the coronavirus pandemic behind. "It's a tough time for families and businesses all over the world," he says, "We continue to do our best to look ahead and think positive toward a brighter future."

L&K HOMESTEAD | PIERSON, IOWA

185 MILES NORTHWEST OF DES MOINES

// **LORA KNAACK, FOUNDER AND OWNER**



When Lora Knaack, her husband Kyle, and their three kids moved to their farm in 2013, she envisioned one big pen and all the animals living in harmony. They started out with cattle, but it wasn't until 2020 that they added a few Nigerian Dwarf goats to the family farm – that's when Lora says L&K Homestead was born. L&K Homestead handmade artisan soaps, bath accessories, and candles, using goat's milk from the ones raised on their farm.

L&K Homestead sells through a brick and mortar store located on their farm, where customers can catch a glimpse of the goats and cattle. They also operate a web store powered by Shopify.

Offline marketplaces, such as arts and crafts events, farmers markets, and vintage style events drive a huge portion of their revenue and account for 75% of their units sold. "Bringing the goats to the shows at different venues makes a difference in sales," Lora says, "We thrived in the face-to-face setting."

Lora is contemplating using an online marketplace, such as Etsy, to sell her products online in place of her web store, but not without accounting for the differences between the two sales channels. She describes, for example, considering the tradeoff between having competitors directly present on the site and having higher discovery rates on online marketplaces and vice versa on web stores.

L&K Homestead takes pride in their family-farm business. Lora, who is also working on obtaining her doctorate, mentions, "We can only make as much as our goats can produce, and it all must be high quality and up to standard."

BIKEWORLD | PADUCAH, KENTUCKY

216 MILES SOUTHWEST OF LOUISVILLE

// **MARTHA EMMONS, CO-FOUNDER AND CO-OWNER**

BikeWorld was founded by two avid bicycling enthusiasts, Huth Smith and Martha Emmons in 1987. Since its establishment, BikeWorld has founded, sponsored or strongly supported every major bicycle event, operation and facility in Western Kentucky. “The fabric of a place is best discovered by bicycle,” Martha says.

In an average year, BikeWorld will help local non-profits raise over $50,000 for good causes, while also donating products, labor and expertise to schools, playgrounds, charities and organizations, including free bicycle parking racks to businesses. In turn, a large part of BikeWorld’s success can be attributed to the local community, with the majority of their sales generated by Western Kentucky locals.

The company sells their bicycles and biking accessories and gear primarily through their brick and mortar location, which drives 95% of their revenue. Any online sales revenue is generated from their web store, which is powered by Smart E-tailing. Martha says, “With a product like bikes, it’s easier to guide customers through the ride and the feel of the bike at the store rather than online.”

Martha believes bicycling can bring people together to improve bodies, minds and communities. Together, Hutch and Martha plan to continue to invest in BikeWorld’s brick and mortar store, ensuring customers continue to have the opportunity to find the best bike for them.



CATSKILL COLLECTIBLES | CATSKILL, NEW YORK

34 MILES SOUTH OF ALBANY

// **TOM ILLARI, FOUNDER AND OWNER**



Founded by Tom Illari in 2016, Catskill Collectibles sells antiques, knick knacks, postcards, outsourced reproductions and prints, and other historical souvenirs from the region. Tom's interest in the Catskills dates from his early childhood, and since then he has been an avid student of their history. In turn, he assembled a substantial collection of regional and historical antiques.

In 2021, Catskill Collectibles was the winner for "Best Antique Shop" in the Best of Greene County Awards. Its mission is to help preserve the memorabilia of the Catskills that were part of peoples' daily existence in the nineteenth and twentieth centuries. Catskill Collectibles fulfills that mission by making available a collection of postcards, books and prints of the area, and many items such as photographs of the grand hotels and railroad timetables and vintage souvenirs.

Customers can find these products at local pop-up events throughout the year, on Etsy's online marketplace, and at their brick and mortar location. Tom mentions Etsy has been consistently beneficial to their sales, especially before the recent establishment of his brick and mortar store.

Right now, Tom works part time at an accounting practice, but his vision is "to expand Catskill Collectibles." Tom has set his sights on eventually selling other vendors' products in an established brick and mortar store year-round, including wholesale and consignment products in a retail store – not just online.

AROTAGS | CONCORD TOWNSHIP, OHIO

30 MILES NORTHEAST OF CLEVELAND

// MICHAEL MILAM, FOUNDER AND OWNER

Michael Milam noticed a problem. He would constantly spend money on tree-shaped air fresheners made out of paper, only to throw them away a few days later when the once overpowering scent faded away. “Not only did I feel this was a waste of money, but also paper and packaging,” Michael says. That’s when he founded Arotags, which sells longer lasting, better looking, and less wasteful air freshener systems.

Michael founded Arotags in the MakerSpace of the Cleveland Public Library when he was 18 years old - just a senior in high school. He continued running Arotags as a side business throughout his time at Ohio State University.

From day one, Michael has kept his promise to always keep manufacturing and sourcing local in the United States. For years, he’s sourced from local suppliers in Wilmington, Ohio (for fragrance oils) and Middlefield, Ohio (for hardwoods).

“Arotags is as lean as can be,” Michael says. Despite running a solo operation, Michael sells his wooden scent diffusers through a variety of online sales channels – Amazon’s online marketplace, a web store powered by Shopify, wholesale platforms (e.g., Faire, Tundra, and Abound), and click-to-buy social on Facebook.

Michael has found success on Amazon’s online marketplace, which generates ~70-80% of Arotags’ sales revenue. Interestingly, direct B2B email sales generates the second highest amount of the company’s sales revenue, followed by its web store, wholesale, and click-to-buy social selling.

Founded in a public library and now operating out of a suburban garage, “Arotags is a perfect example of the American Dream,” Michael beams.



LEHMAN'S | KIDRON, OHIO

35 MILES SOUTHWEST OF AKRON

// **GLENDA LEHMAN ERVIN, DIRECTOR OF MARKETING**



Founded in 1955 by Jay Lehman to serve the local Amish population with non-electric household goods, Lehman's has grown into an international brand, shipping products all over the world. Family owned and operated for over half a century, Glenda Lehman Ervin, Jay's daughter, stepped into the business after college and today acts as the Director of Marketing. Over the years, Jay's mission has remained true to Lehman's practice - to provide a simpler way of life in chaotic times.

Lehman's operates one (massive) brick and mortar store that Glenda describes as the "Rolls Royce of hardware stores." There are a number of sections within Lehman's where customers can buy houseware, home heating equipment, plants, preserved food, and more.

They also operate a web store, run a print catalog, list products on Amazon's, Walmart's, and eBay's online marketplaces, and participate in homesteading trade shows to sell their products. The company is considering listing products on Etsy as well.

Lehman's customers live all over the world, in second homes, on islands and mountains, and where electricity is unreliable or non-existent. "It takes high tech to sell low tech," Glenda describes. Lehman's web store drives their largest share of revenue, followed by their print catalog, their storefront on Amazon's online marketplace and finally, their brick and mortar store.

While domestic sales make up the majority of their sales revenue, Lehman's has grown over the years to supply missionaries, homesteaders, environmentalists, second home owners, and even the chronically nostalgic with authentic products that work for life in all 50 states and over 100 countries. "Today, Lehman's exists to help people take their next step on the journey to a simpler life," says Glenda.

SWITCH SALON, SPA, & BOUTIQUE | GOLDTHWAITE, TEXAS

106 MILES NORTHWEST OF AUSTIN

// **TERRA GARDNER, FOUNDER AND OWNER**



Terra Gardner founded Switch Salon, Spa, and Boutique in the small town of Goldthwaite, Texas, home to roughly two thousand residents. Terra was born and raised in Goldthwaite, and following college and beauty school, moved back there to start her business and raise her five children with her husband.

In January of 2019, Terra got the opportunity to purchase a 100-year-old building on Goldthwaite's beautiful town square. The building had been home to many businesses over the years, and in April of 2019, became home to Switch Salon, Spa, and Boutique.

"During the COVID-19 pandemic, I used the time to improve the boutique side of the business and develop new ways to put our customers first while making them feel appreciated," Terra says. That's when she expanded her business model to include a boutique and began carrying apparel and accessories both in-store and online.

Customers can purchase Switch's apparel, accessories, and beauty products at their two brick-and-mortar locations (a salon, spa, and boutique in Goldthwaite and a boutique in San Saba, Texas), on their web store powered by Shopify, and by leveraging click-to-buy social shopping on their Instagram and Facebook.

Terra mentions the local community has been instrumental to Switch Salon, Spa, & Boutique's success. "Our clients are like family. They are so loyal to us, and we will always act with them in mind. My dream is now growing, and my new goals are to continue to provide for my clients and shine a positive light on our wonderful community," says Terra.

OLIVER PECAN | SAN SABA, TEXAS

105 MILES NORTHWEST OF AUSTIN

// **SHAWN OLIVER, OWNER**

Oliver Pecan was started by Gordon Lee and Clydene Oliver in 1970 after they purchased a pecan orchard. They had two cane poles and two buckets, along with heart, determination and a vision to provide for their family. “Oliver Pecan started with 400-something-odd pecan trees,” says Shawn Oliver, Owner of Oliver Pecan, “But we have since grown through the years to where we now harvest around 30,000 trees across the state of Texas, and we have three buying stations in San Saba, San Angelo and Belmont.”

The family owned and operated pecan company is based fittingly in San Saba, Texas – the pecan capital of the world, and when customers stop by Oliver Pecan, they’re likely to see three generations of Oliver’s working side-by-side.

Oliver Pecan sells a variety of pecan-based treats, including roasted & flavored pecans, chocolate-covered pecans, pecan brittle, pecan butters, and more recently, pecan oil. The company had the long-standing goal of getting to zero waste by using every part of their pecans, and expanding to include pecan oil has helped them reach that goal. “In 2022, our cold pressed, 100% natural, extra virgin Pecan Oil was named a New Product Nut Oil winner by the Specialty Food Association,” says Shawn.

Customers can find their products in two brick-and-mortar locations year-round, at two brick-and-mortar locations seasonally, and on their web store (powered by Commerce V3). Oliver Pecan also has a large wholesale division and private labels for other companies. “With regard to revenue, it’s fairly evenly distributed between our online and offline sales methods,” Shawn notes.

Looking to the future, Oliver Pecan hopes to expand their number of brick-and-mortar locations and continue to see their web store sales grow.



CHUKAR CHERRIES | PROSSER, WASHINGTON

170 MILES SOUTHWEST OF SPOKANE

// PAM MONTGOMERY, FOUNDER AND OWNER

In 1988, Pam Montgomery and her young family escaped the bustle of Seattle to north Prosser when they purchased the largest family-owned cherry orchard (100 acres) in Washington State. With 8,000 trees to harvest in a short two weeks, a bounty of leftover cherries was only expected. Day after day, Pam (with her three young daughters in tow) would walk the orchard after harvest season, picking and eating the leftover cherries slowly drying on the branches along their trek. Pam found tree-ripening enhanced the flavor and acted as a natural preservative. In no time, they began dehydrating Bing & Rainier cherries with no added ingredients.

Thirty-five years later Chukar Cherries has grown into a sustainable farm-to-table endeavor. Chukar's product line blossomed from naturally dried & chocolate covered cherries to cherry & nut energy snacks, fruitful preserves & sauces, baked goods & granola, and now regional wine & chocolate pairings.

Chukar Cherries acts as a vertically integrated, multi-channel manufacturer with the majority of their revenue coming primarily from direct-to-consumer sales channels. While they do offer to ship their products throughout the U.S. most of their customer base is in the Pacific Northwest.

The company continues to focus on building their brand and fostering customer loyalty via direct sales channels, such as, their web store, mail-order catalogs, and the two company retail stores in Seattle's Pike Place Market and Washington wine country adjacent to Chukar's factory headquarters. They also sell via Amazon's online marketplace. Historically, Chukar operated a wholesale division sans distribution and limited to specialty retailers and tourist locales. That said, Chukar is positioning for wholesale market growth utilizing targeted product development.

Pam pioneered dehydrating Northwest cherries without additives in the 1980's. Despite their growth since then, the company remains committed to producing their products in small-batch style, retaining the freshness and quality that the brand has become synonymous with.



J.Q. DICKINSON SALT-WORKS | MALDEN, WEST VIRGINIA

180 MILES WEST OF LEXINGTON, KENTUCKY

// **NANCY BRUNS, CHIEF EXECUTIVE OFFICER**



One could say salt-making runs in Nancy Bruns' blood. The seventh generation in a family of salt-makers, siblings Nancy Bruns and Lewis Payne share a common love of history, food, and family. Staying true to her salt roots, in 2013 she and her brother revived her family's salt business in the Kanawha Valley of West Virginia by founding J.Q. Dickinson Salt-Works.

J.Q. Dickinson Salt-Works naturally sources their brine from an ancient, untouched sea called the Iapetus Ocean (predating the Atlantic) trapped below the Appalachians. Gleaned from the earth by an underground brine aquifer, the salt is then processed naturally using the power of the sun and gentle mountain breezes.

J.Q. Dickinson Salt-Works sells their all-natural products through a web store powered by Shopify and at offline marketplaces (e.g, farmer's markets). The company also sells wholesale (utilizing Mable for new customers). In the past nine years, the business rapidly expanded, and nowadays its products can be found in over 600 retailers and restaurants across the country. They also ship worldwide.

Through Salt-Works, Nancy also got to know many Appalachian artisans. In 2019, she launched J.Q. Dickinson Appalachian Mercantile, a business that curates high-quality Appalachian foods, home goods and crafts, that sells its goods via a subscription-based model directly to consumers either monthly or seasonally. These unique products are available to the wholesale accounts as well.

Nancy is a stellar entrepreneur who understands the untapped market for authentic brands from the Appalachian region. With this knowledge, Nancy's mission is to share her love of the picturesque Appalachian region and its artisan excellence with the world.

MOUNTAINEER POPCORN | SHEPHERDSTOWN, WEST VIRGINIA

153 MILES WEST OF MORGANTOWN

// ERIN VALASEK, CO-FOUNDER AND CO-OWNER

Mountaineer Popcorn may be a small company, but they have always had big ambitions. In April 2015, husband and wife team Mike and Erin Valasek decided that they wanted to create a locally-grown popcorn business from the ground up in the beautiful Shenandoah Valley.

Popcorn makes for a great snack; it's easy to share and creates little to no mess, which explains some of Mountaineer Popcorn's most interesting customers – event planners, who purchase the snack to serve guests at gatherings.

Mountaineer Popcorn sells their homegrown, GMO-free popcorn on their web store, at their brick and mortar location, and through wholesale. They wholesale across West Virginia, Virginia, and Maryland, putting their products into over 35 retail locations. "During the pandemic, we started listing products all over the place," Erin says. Their sales channels quickly expanded to include click-to-buy social on Instagram, in-store pickups, and even hand delivery.

Although they've never sold through an online marketplace, Mike and Erin are interested in trying Etsy and eBay. They also sell popcorn at school fundraisers. For big popcorn fans, the company also offers four different types of popcorn subscriptions to their customers. And while most of their customers (for now) are locals, they ship their popcorn to any location in the United States.

When Mike and Erin founded Mountaineer Popcorn, they had multiple goals – to create great-tasting popcorn, of course, and to give their four young children the opportunity to see how businesses are created and grown. Today, it's clear they've succeeded on both fronts.



Key Results By Select U.S. States

KEY STUDY RESULTS BY SELECT STATES



ARIZONA

60% of Arizona rural SMB sellers use at least three sales methods as part of their business operations. Their most popular sales methods are online marketplaces (60% use them) and web stores (52%).

Online sales methods, which enable rural sellers to succeed in distant markets, are disproportionately important to rural sellers in general, and this holds true for Arizona rural SMB sellers. 48% of their total revenue is generated by online sales methods (25% of which is driven by online marketplaces).

A majority of Arizona rural SMB sales (55%) are made locally. Of the remaining sales, 18% are within the state, 22% are outside the state, but within the U.S., and 6% are outside the country. Arizona rural SMB sellers said that online marketplaces (38%) and business-owned web stores (34%) are the two most effective methods for selling across long distances.

Most popular sales methods

Online Marketplaces: 60% | **57% avg.**

Web Stores: 52% | **57%**

% total revenue from

Online Marketplaces: 25% | **23% avg.**

All Online Methods: 48% | **56%**

Most popular long distance methods

Online Marketplaces: 38% | **33% avg.**

Web Stores: 34% | **36%**

Sales by location

Local: 55% | **54% avg.**

State: 18% | **16%**

Domestic: 22% | **24%**

International: 6% | **6%**

Average number of methods

3.4 | **3.4 avg.**

% using at least 3 methods

60% | **59% avg.**

KEY STUDY RESULTS BY SELECT STATES



CALIFORNIA

58% of California rural SMB sellers use at least three sales methods as part of their business operations. Their most popular sales methods are online web stores (59% use them) and online marketplaces (57%).

Online sales methods, which enable rural sellers to succeed in distant markets, are disproportionately important to rural sellers in general, and this holds true for California rural SMB sellers. 57% of their total revenue is generated by online sales methods (18% of which is driven by online marketplaces).

A majority of California rural SMB sales (58%) are made locally. Of the remaining sales, 16% are within the state, 21% are outside the state, but within the U.S., and 5% are outside the country. California rural SMB sellers said that business-owned web stores (34%) and online marketplaces (32%) are the two most effective methods for selling across long distances.

Most popular sales methods

Web Stores: 59% | 57% avg.

Online Marketplaces: 57% | 57%

% total revenue from

Online Marketplaces: 18% | 23% avg.

All Online Methods: 57% | 56%

Most popular long distance methods

Web Stores: 34% | 36% avg.

Online Marketplaces: 32% | 33%

Sales by location

Local: 58% | 54% avg.

State: 16% | 16%

Domestic: 21% | 24%

International: 5% | 6%

Average number of methods

3.6 | 3.4 avg.

% using at least 3 methods

58% | 59% avg.

KEY STUDY RESULTS BY SELECT STATES



FLORIDA

64% of Florida rural SMB sellers use at least three sales methods as part of their business operations. Their most popular sales methods are online marketplaces (60% use them) and web stores (57%).

Online sales methods, which enable rural sellers to succeed in distant markets, are disproportionately important to rural sellers in general, and this holds true for Florida rural SMB sellers. 45% of their total revenue is generated by online sales methods (26% of which is driven by online marketplaces).

Just under half of Florida rural small business sales (48%) are made locally. Of the remaining sales, 18% are within the state, 29% are outside the state, but within the U.S., and 5% are outside the country. Florida rural SMB sellers said that business-owned web stores (35%) and online marketplaces (30%) are the two most effective methods for selling across long distances.

Most popular sales methods

Online Marketplaces: 60% | **57% avg.**

Web Stores: 57% | **57%**

% total revenue from

Online Marketplaces: 26% | **23% avg.**

All Online Methods: 45% | **56%**

Most popular long distance methods

Web Stores: 35% | **36% avg.**

Online Marketplaces: 30% | **33%**

Sales by location

Local: 48% | **54% avg.**

State: 18% | **16%**

Domestic: 29% | **24%**

International: 5% | **6%**

Average number of methods

3.6 | **3.4 avg.**

% using at least 3 methods

64% | **59% avg.**

KEY STUDY RESULTS BY SELECT STATES



IOWA

55% of Iowa rural SMB sellers use at least three sales methods as part of their business operations. Their most popular sales methods are brick and mortar stores (57% use them), followed closely by online marketplaces (54%) and web stores (53%).

Online sales methods, which enable rural sellers to succeed in distant markets, are disproportionately important to rural sellers in general, and this holds true for Iowa rural SMB sellers. 47% of their total revenue is generated by online sales methods (24% of which is driven by online marketplaces).

The majority (53%) of Iowa rural SMB sales made locally. 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 SMB sellers said that online marketplaces (37%) and web stores (35%) are the two most effective methods for selling across long distances.

Most popular sales methods

Brick and Mortar: 57% | 53% avg.

Online Marketplaces: 54% | 57%

% total revenue from

Online Marketplaces: 24% | 23% avg.

All Online Methods: 47% | 56%

Most popular long distance methods

Online Marketplaces: 37% | 33% avg.

Web Stores: 35% | 36%

Sales by location

Local: 53% | 54% avg.

State: 17% | 16%

Domestic: 25% | 24%

International: 5% | 6%

Average number of methods

3.6 | 3.4 avg.

% using at least 3 methods

55% | 59% avg.

KEY STUDY RESULTS BY SELECT STATES



KENTUCKY

54% of Kentucky rural SMB sellers use at least three sales methods as part of their business operations. Their most popular sales methods are online marketplaces (52% use them) and web stores (49%).

Online sales methods, which enable rural sellers to succeed in distant markets, are disproportionately important to rural sellers in general, and this holds true for Kentucky rural SMB sellers. 47% of their total revenue is generated by online sales methods (21% of which is driven by online marketplaces).

Just over half of Kentucky rural small business sales (54%) are made locally. Of the remaining sales, 16% are within the state, 25% are outside the state, but within the U.S., and 5% are outside the country. Kentucky rural SMB sellers said that business-owned web stores (37%) and online marketplaces (31%) are the two most effective methods for selling across long distances.

Most popular sales methods

Online Marketplaces: 52% | **57% avg.**

Web Stores: 49% | **57%**

% total revenue from

Online Marketplaces: 21% | **23% avg.**

All Online Methods: 47% | **56%**

Most popular long distance methods

Web Stores: 37% | **36% avg.**

Online Marketplaces: 31% | **33%**

Sales by location

Local: 54% | **54% avg.**

State: 16% | **16%**

Domestic: 25% | **24%**

International: 5% | **6%**

Average number of methods

3.5 | **3.4 avg.**

% using at least 3 methods

54% | **59% avg.**

KEY STUDY RESULTS BY SELECT STATES



NEW YORK

60% of New York rural SMB sellers use at least three sales methods as part of their business operations. Their most popular sales methods are web stores (61% use them) and online marketplaces (59%).

Online sales methods, which enable rural sellers to succeed in distant markets, are disproportionately important to rural sellers in general, and this holds true for New York rural SMB sellers. 42% of their total revenue is generated by online sales methods (20% of which is driven by online marketplaces).

Just over half of New York rural small business sales (56%) are made locally. Of the remaining sales, 15% are within the state, 21% are outside the state, but within the U.S., and 8% are outside the country. New York rural SMB sellers said that business-owned online marketplaces (38%) and web stores (34%) are the two most effective methods for selling across long distances.

Most popular sales methods

Web Stores: 61% | 57% avg.

Online Marketplaces: 59% | 57%

% total revenue from

Online Marketplaces: 20% | 23% avg.

All Online Methods: 42% | 56%

Most popular long distance methods

Online Marketplaces: 38% | 33% avg.

Web Stores: 34% | 36%

Sales by location

Local: 56% | 54% avg.

State: 15% | 16%

Domestic: 21% | 24%

International: 8% | 6%

Average number of methods

3.4 | 3.4 avg.

% using at least 3 methods

60% | 59% avg.

KEY STUDY RESULTS BY SELECT STATES



OHIO

54% of Ohio rural SMB sellers use at least three sales methods as part of their business operations. Their most popular sales methods are brick and mortar stores (58% use them), followed closely by web stores (53%).

Online sales methods, which enable rural sellers to succeed in distant markets, are disproportionately important to rural sellers in general, and this holds true for Ohio rural SMB sellers. 40% of their total revenue is generated by online sales methods (20% of which is driven by online marketplaces).

The majority (55%) of Ohio rural SMB sales made locally. Of the remaining sales, 20% are within the state, 22% are outside the state, but within the U.S., and 4% are outside the country. Ohio rural SMB sellers said that web stores (36%) and brick and mortar stores (32%) are the two most effective methods for selling across long distances.

Most popular sales methods

Brick and Mortar: 58% | 53% avg.

Web Stores: 53% | 57%

% total revenue from

Online Marketplaces: 20% | 23% avg.

All Online Methods: 40% | 56%

Most popular long distance methods

Web Stores: 36% | 36% avg.

Brick and Mortar: 32% | 27%

Sales by location

Local: 55% | 54% avg.

State: 20% | 16%

Domestic: 22% | 24%

International: 4% | 6%

Average number of methods

3.3 | 3.4 avg.

% using at least 3 methods

54% | 59% avg.

KEY STUDY RESULTS BY SELECT STATES



TEXAS

58% of Texas rural SMB sellers use at least three sales methods as part of their business operations. Their most popular sales methods are online marketplaces (55% use them) and web stores (51%).

Online sales methods, which enable rural sellers to succeed in distant markets, are disproportionately important to rural sellers in general, and this holds true for Texas rural SMB sellers. 50% of their total revenue is generated by online sales methods (28% of which is driven by online marketplaces).

Just over half of Texas rural small business sales (54%) are made locally. Of the remaining sales, 13% are within the state, 27% are outside the state, but within the U.S., and 5% are outside the country. Texas rural SMB sellers said that business-owned web stores (40%) and online marketplaces (37%) are the two most effective methods for selling across long distances.

Most popular sales methods

Online Marketplaces: 55% | **57% avg.**

Web Stores: 51% | **57%**

% total revenue from

Online Marketplaces: 28% | **23% avg.**

All Online Methods: 50% | **56%**

Most popular long distance methods

Web Stores: 40% | **36% avg.**

Online Marketplaces: 37% | **33%**

Sales by location

Local: 54% | **54% avg.**

State: 13% | **16%**

Domestic: 27% | **24%**

International: 5% | **6%**

Average number of methods

3.4 | **3.4 avg.**

% using at least 3 methods

58% | **59% avg.**

KEY STUDY RESULTS BY SELECT STATES



WASHINGTON

53% of Washington rural SMB sellers use at least three sales methods as part of their business operations. Their most popular sales methods are online marketplaces (57% use them) and web stores (52%).

Online sales methods, which enable rural sellers to succeed in distant markets, are disproportionately important to rural sellers in general, and this holds true for Washington rural SMB sellers. 41% of their total revenue is generated by online sales methods (23% of which is driven by online marketplaces).

Over half of Washington rural small business sales (62%) are made locally. Of the remaining sales, 15% are within the state, 18% are outside the state, but within the U.S., and 5% are outside the country. Washington rural SMB sellers said that online marketplaces (34%) and business-owned web stores (33%) are the two most effective methods for selling across long distances.

Most popular sales methods

Online Marketplaces: 57% | **57% avg.**

Web Stores: 52% | **57%**

% total revenue from

Online Marketplaces: 23% | **23% avg.**

All Online Methods: 41% | **56%**

Most popular long distance methods

Online Marketplaces: 34% | **33% avg.**

Web Stores: 33% | **36%**

Sales by location

Local: 62% | **54% avg.**

State: 15% | **16%**

Domestic: 18% | **24%**

International: 5% | **6%**

Average number of methods

3.2 | **3.4 avg.**

% using at least 3 methods

53% | **59% avg.**

KEY STUDY RESULTS BY SELECT STATES



WEST VIRGINIA

72% of West Virginia rural SMB sellers use at least three sales methods as part of their business operations. Their most popular sales methods are online marketplaces (65% use them) and web stores (64%).

Online sales methods, which enable rural sellers to succeed in distant markets, are disproportionately important to rural sellers in general, and this holds true for West Virginia rural SMB sellers. 40% of their total revenue is generated by online sales methods (22% of which is driven by online marketplaces).

Over half of West Virginia rural small business sales (56%) are made locally. Of the remaining sales, 14% are within the state, 23% are outside the state, but within the U.S., and 6% are outside the country. West Virginia rural SMB sellers said that business-owned web stores (38%) and online marketplaces (35%) and are the two most effective methods for selling across long distances.

Most popular sales methods

Online Marketplaces: 65% | **57% avg.**

Web Stores: 64% | **57%**

% total revenue from

Online Marketplaces: 22% | **23% avg.**

All Online Methods: 40% | **56%**

Most popular long distance methods

Web Stores: 38% | **36% avg.**

Online Marketplaces: 35% | **33%**

Sales by location

Local: 56% | **54% avg.**

State: 14% | **16%**

Domestic: 23% | **24%**

International: 6% | **6%**

Average number of methods

4.0 | **3.4 avg.**

% using at least 3 methods

72% | **59% avg.**

Methodology, References, & Acknowledgements

METHODOLOGY

// DETAILS OF THE STUDY METHODOLOGY AND ANALYSIS

We conducted an online survey of 1,000 U.S.-based small- and mid-sized businesses (SMBs; <500 employees) that sell physical products/goods to businesses and/or consumers. The survey was conducted between March 25, 2022 and April 15, 2022 and has a margin of error of +/- 3.1% on the overall sample. Topline results from the survey can be accessed here.

The sample was drawn from an existing opt-in panel of SMBs - potential rural respondents were selected from the panel based on known geographic and demographic variables, such as primary location of business and location of primary residence. Additionally, screening questions were asked in the survey to ensure that only those SMBs whose primary business location is located in a rural area were allowed to participate in the survey. As a result, 100% of the SMBs are located in a rural area of the U.S., and 96% of respondents (SMB leaders) live near their business in that rural area.

These SMBs range from solo owner/operators to larger SMBs with hundreds of employees. They also had a wide representation of business size by number of employees and revenue. The SMBs operate in many industries including food and beverage, clothing and fashion, toys and games, and many more. These SMBs are roughly evenly distributed across major regions of the U.S. Every person we surveyed was an SMB leader very familiar with how their SMB sells its products through various channels, and 98% of survey participants were also familiar with how those sales channel choices result in revenue by channel. Most participants were also decision makers on sales, with 77% being the sole or primary decision maker, and another 20% sharing decision making authority.



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