

A decorative network diagram in the top right corner, consisting of a series of interconnected nodes and lines forming a mesh-like structure.

Super Selling:

Most Rural Small Businesses Use
Multiple Sales Methods

Business and Economics Analysis

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Summary

Several decades of public discourse have reduced common thinking about small business retail into simple and often binary options, e.g., suburban malls vs. downtowns and online vs. brick and mortar. We conducted a national survey of 1,000 rural small and medium-size (SMB) product sellers who - contrary to some popular myths - disclosed that their sales methods are remarkably diverse, combining traditional retail and wholesale with a variety of digital commerce channels. Our major findings include:

- Modern rural small business sellers use many methods to reach consumers, including online and offline, wholesale and retail, marketplaces, and direct-to-consumer. The evolution of traditional retail alongside the growth of digital selling has created an infinite variety of options and aggressive competition for sellers' attention, investment and allegiance.
- The typical rural SMB seller today uses three or four different methods for selling products to consumers. The most popular sales methods among rural SMB sellers are: business-owned web stores (57% of rural SMBs use), online marketplaces (also 57%), brick and mortar retail stores (53%), and offline marketplaces such as farmer's markets, antique shows, and similar in-person gatherings (47%).
- 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%).
- Rural SMB sellers that use more sales methods are also far more optimistic about future sales and growth of their business than those that use just one or two methods. They are similarly more optimistic about their industry, local rural economy, and the U.S. economy.
- Based on our [previous research](#), rural SMB sellers are fairly similar to SMB sellers in all areas of the country - taking advantage of the same mix of available sales methods and revenue-driving opportunities.

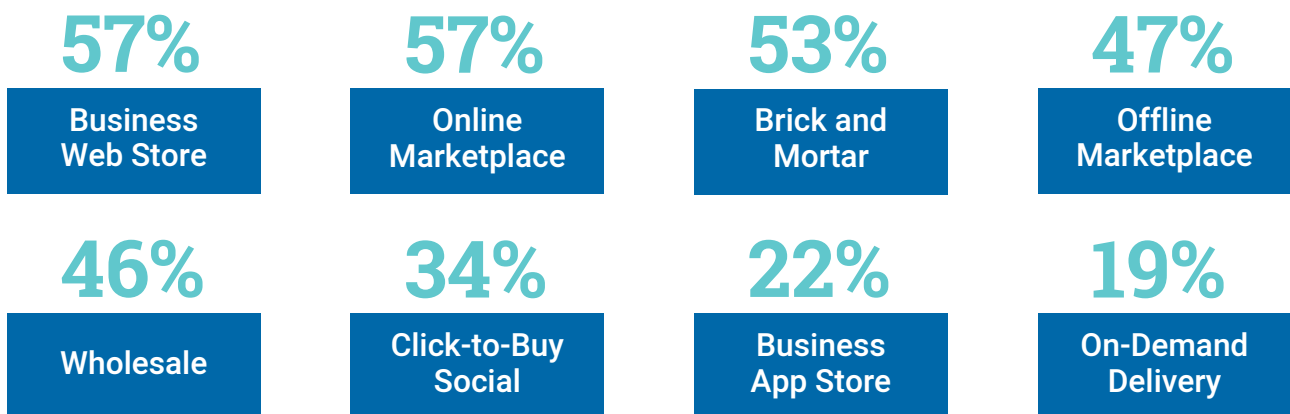
Rural sellers, like all sellers, appreciate the low costs and accessibility of online retail marketplaces and other sales channels, as these enable the sellers to move fluidly among competing retail platforms and channels. Every seller decides independently which methods work for their business, industry, product, and customer, and they allocate financial and other resources based on their success and their vision of opportunities.

Major Findings

Rural Small Business Sellers Can Choose From a Wide Variety of Selling Methods

SMB sellers in rural areas of the U.S. have many ways of selling available to them. Several of these methods – particularly online – are relatively inexpensive, easy to set up and manage, and add tremendous value. We asked rural SMB sellers about the following eight sales methods, which [previous research](#) indicates account for virtually all SMB sales, to determine the percentage of rural SMBs that use each method. Of course, an individual rural SMB seller can and frequently does use more than one of these sales methods.

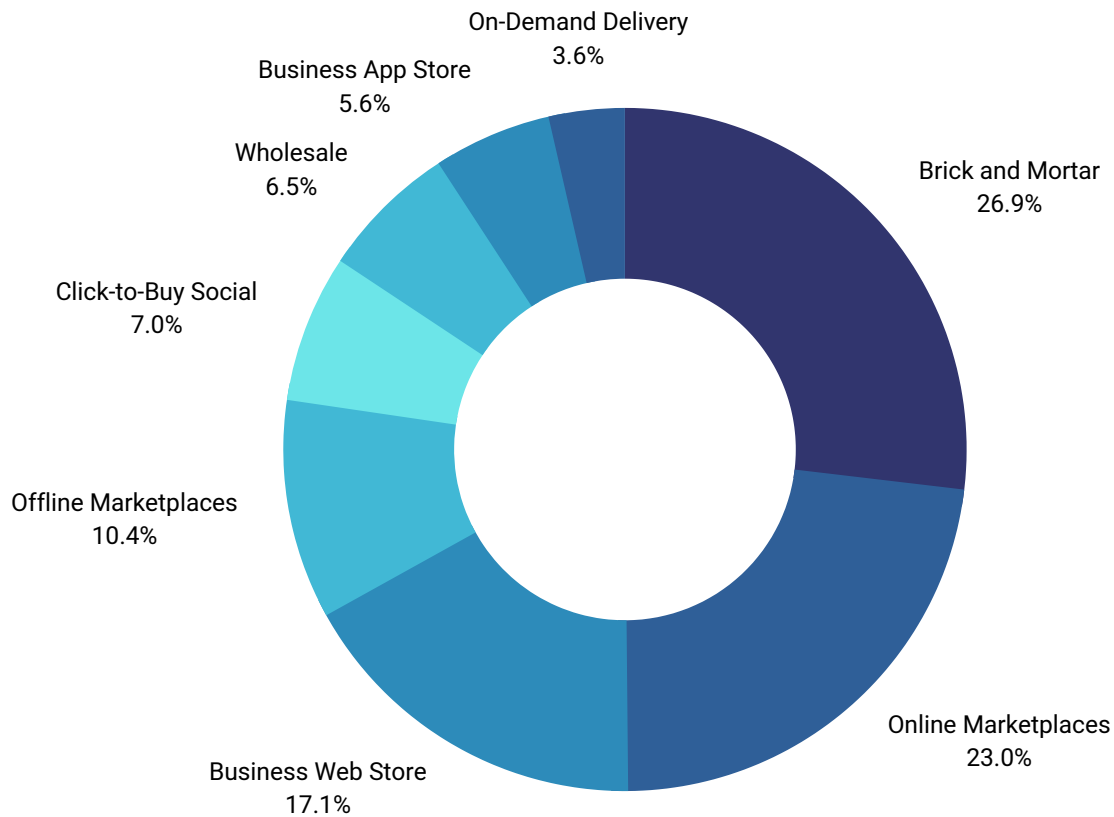
Figure 1: Percentage of Rural SMBs Using Different Sales Methods



Rural SMB sellers' three most popular sales methods to use are business-owned web stores (57% sell this way), online marketplaces (also 57%), and brick and mortar retail stores (53%), which together account for 67% of rural SMB revenue on average. In fact, brick and mortar stores are the single highest driver of revenue for rural SMBs (27%). Other popular sales methods include offline marketplaces such as farmer's markets, antique shows, and similar in-person gatherings (47%), and wholesaling (46%), although they generate comparatively less revenue.

The Typical Rural SMB Seller Uses More Than 3 Sales Methods

Most (79%) rural SMB sellers use more than one sales method; 59% use at least three methods, and the average rural SMB seller uses 3.4 methods. Sales methods are used by rural SMBs in various combinations. Even among smaller rural SMBs - those with fewer than 10 employees - about half (49%) use at least three (3) sales methods, suggesting that a compelling feature of modern retail is the diverse choices available to even the smallest sellers. Using three or more methods may seem complex, but small businesses with limited time and resources don't stick with a method unless it succeeds by delivering revenue.

Figure 2: Average Percentage of Rural SMB Revenue, By Sales Method

Within Each Sales Method SMB Sellers Have an Abundance of Choice and Competition For Their Attention...and Dollars

In addition to the many sales methods, SMB sellers have a choice of many different partners and vendors within each method. For example, in physical retail, sellers can choose among an extraordinary number of independent wholesale and national retail partners. For online sales methods, there are many available options, Shopify, PayPal, Square and Stripe are the most popular for SMB-owned web stores, as are Amazon, eBay, and Etsy for online marketplaces. Interestingly, other marketplaces such as Mercari, Poshmark, and Offerup are relatively popular with rural SMB sellers - they were the 4th, 5th, and 7th most popular overall.

Frequently, rural SMB sellers use more than one option within a specific sales method. For example, 63% of rural SMB sellers on Amazon's Marketplace also sell on at least one other online marketplace. This result is mirrored in another recent study of small sellers which found that [only 7% of businesses sell through a single marketplace](#), and 42% operate through four or more marketplaces. This was interpreted as a strategy to meet customers where they are, while expanding sales and growing their businesses.

Additionally, not only do rural SMB sellers on Amazon Marketplaces sell on other online marketplaces, 87% of Amazon Marketplace rural SMB sellers use three or more sales methods (4.6 methods on average). This means that not only are rural SMB sellers very unlikely to run their entire business through Amazon's marketplace, but they are in fact selling through other offline and online methods in addition to it.

Web Store and Online Marketplace “Integrated Services” Are Important For Rural SMBs

With the majority of rural SMB sellers using either a business-owned web store or an online marketplace – or both – to drive sales, we asked these SMB leaders about the importance of “integrated services,” or digital tools providing additional services (warehousing, shipping labels, etc.) that are seamlessly integrated. These integration tools are incredibly important to rural SMB sellers, with 89% of rural SMBs that use such tools with their web store integrations saying they are valuable to their business and 91% reporting the same about integrated services on online marketplaces.

Rural SMB Sellers Use Both Offline & Online Sales Methods To Sell Over Long Distances

Rural SMBs, by definition, are not located in densely populated areas full of customers. Obviously, they can sell to local customers through brick and mortar stores, wholesale to local retailers, and offline marketplaces like markets and fairs, in addition to online sales methods. We were interested, however, in how rural SMB sellers connect with customers outside of their local area, whether within their states, across the country, and even internationally.

We found that slightly over half of rural SMB sales (54%) are made locally, in the immediate area of where the business is headquartered or primarily located (in cases where there is more than one location). Of the remaining sales, 16% were within the state, 24% were outside the state but within the U.S., and 6% were outside the country.

For the sales made outside the local rural area, rural SMBs, not surprisingly, find business-owned web stores (36%) and online marketplaces (33%) most effective for making sales. These two methods are supplemented by sales from brick and mortar stores (27%) (e.g., tourists visiting a store and having products mailed to their homes, phone calls made directly to the store to place orders) and wholesale (16%).

Figure 3: Most Effective Methods For "Long-Range" Sales Outside Local Rural Area

Sales Method	Business Web Store	Online Marketplace	Brick and Mortar	Wholesale
% of Long-Range Sales	36%	33%	27%	16%

Diversifying Sales Methods Is Associated With Optimism and Success

Interestingly, leaders of businesses 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, rural SMB sellers using 6-8 methods are: twice as likely to be completely certain about their local economy growing over the next 3-5 years, 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, and 2.6X as likely to be completely certain that their business will increase sales outside their local area during the next year. With regard to more general economic questions, compared to rural SMB sellers using just 1-2 sales methods, rural SMB sellers using 6-8 methods 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.

Conclusion: Modern Retail Means Choice, Competition, and Value for Rural Sellers

Modern retail is full of opportunities. Rural SMB sellers, even small ones, often sell their products using many different methods that are frequently supported by low-cost, efficient digital tools and platforms. In turn, these methods, tools, and platforms are offered by many different companies that compete for rural SMBs as customers. Moreover, while online marketplaces and web stores account for a combined 40% of revenue on average, we found that the single highest driver of rural SMB seller revenue was brick and mortar retail stores (27%).

Additional analysis and interviews with rural SMB leaders (to be included in a longer follow-on report) suggest that web stores, online marketplaces, and other sales methods add value to traditional sales methods for the typical rural SMB seller - particularly during the COVID-19 pandemic, when there was less in-person shopping and destination travel. In conclusion, selling by rural-based SMBs is competitive and fluid; there appears to be many realistic choices and alternative ways to sell products that are helping SMBs succeed, creating even more value.

Key Datapoints

- 79% of rural SMB sellers use more than one distinct sales method.
- On average, rural SMB sellers use three to four distinct sales methods.
- 49% of 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.
 - 12.7X as likely to rate the overall U.S. economy as excellent.
 - 5.6X as likely to rate their local economy as excellent.

Survey Details and Methods

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 13, 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.

Acknowledgements

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