

BACK TO BUSINESS IOWA PODCAST

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SEASON 1 | EPISODE 33: Advice for Iowa's Small Retailers from Dr. Linda Niehm

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Description: *Dr. Linda Niehm, professor of Apparel, Events, and Hospitality Management at Iowa State University's College of Human Sciences, speaks with host Steve Adams about the challenges facing Iowa's small retailers. Spoiler alert: innovation and adaptation are key to survival!* [music]



Steve Adams, host 00:10

Hello, and welcome to the Back to Business Iowa podcast from Iowa State University Extension and Outreach. This podcast is a collaboration between Iowa State University Extension and Outreach and the programs including Community and Economic Development, Farm, Food and Enterprise Development, and the Iowa Small Business Development Centers. These podcasts cover relevant topics for businesses and individuals related to education, research and technical assistance during and post COVID-19.

Steve Adams, host 00:54

Hi, I'm Steve Adams, field specialist three at Iowa State University Extension and Outreach and part of the Community and Economic Development unit, and of course, your host for these podcasts. And today we'll be speaking with Linda Niehm, professor of apparel, events and hospitality management with Iowa State's College of Human Services. She'll be discussing with us retail strategies that can be used during this unprecedented time. Thank you for being here today, Linda.

Linda Niehm 01:24

Yeah, thank you, Steve. It's great to be here with you.

Steve Adams, host 01:27

First of all, I gotta ask—how does one get professional apparel, events and hospitality management all on one business card?

Linda Niehm 01:34

It's challenging, but we do have [laughter] we do have an acronym for that. And it's AEHSM, which we'd like to call awesome. So we're the awesome department, which also has other dual meanings. So it's, we've gotten a lot of mileage out of that branding tool.

Steve Adams, host 01:53

Awesome is excellent, anyway, there you go. So what is your background and can you explain a little about your academic areas of interest?

Linda Niehm 02:02

Mm hmm. Yes. Um, so I am a professor and also director of entrepreneurship and retailing for the AEHSM department. My background is in apparel, merchandising and design, but since coming to Iowa State—I should also say that my PhD is in merchandising management from Michigan State, which was very retailing focused. So I'm pretty broad in terms of my ability to interact with and connect with

students that are in all of our programs, not just apparel. That includes our hospitality, as well as our events majors.

Linda Niehm 02:40

So I have all of those students in my classes and my teaching and research focus, not surprisingly, is related to entrepreneurship and retailing, with a special focus on small and rural retailers. I also study community businesses, competitive strategies that help both the business and community thrive. And I also do a lot of outreach. That work has involved business assistance projects, primarily with my students, but I also collaborate with colleagues in my department. And so far we've worked with over 50 small Iowa communities through our AEHSM retail initiative

Steve Adams, host 03:24

Well that's excellent and I especially appreciate that fact. And Iowa State really does put an emphasis on getting those students out in the field so they get that real life experience, isn't that correct?

Linda Niehm 03:35

Yes, that's totally correct. So this has been a really major experiential learning piece for our program. The students not only get to apply the entrepreneurship and retailing content that they're getting in their courses, but they're, it's where the rubber meets the road. They're in the community, they're talking to and working with the business owners, the community leaders who obviously want to have a strong local business community. So it just really is a win-win situation when we can go out into the community.

Linda Niehm 04:09

I should mention too, that that learning experience has most recently extended to our new student innovation center that we have at Iowa State. And we have a new program-run retail store, the students operate the store with guidance from faculty, of course. But we have a new store called Innovate 1858. And the students are learning how to run a small retail operation that features student-made products in large part, from the ground level up. And that's another new entrepreneurship and retailing learning experience that we have available for students. So yes, we're very, very big on experiential learning.

Steve Adams, host 04:53

That's terrific. And I know many employers that I've visited with over the years say they really appreciate it that, when they hire an Iowa State student and there hasn't just been academics, they've actually had that real-world experience. So I think that's quite important. I love that store idea too, by the way. And looking over your resume and background, I see that you have also extensive experience in the private sector. So what are you kind of hearing from your colleagues in the field about how small retailers are dealing with the COVID-19 pandemic?

Linda Niehm 05:29

Well, I kind of am hearing both sides of the coin. Of course, everyone is challenged. You know, I'm sure, you know, you and I both have had challenges throughout this COVID experience and the small retailers are no different. I've been, I think, first of all most impressed by the innovativeness and ability to pivot that many of our local businesses have demonstrated. I've seen them come up with new non-store ways to serve their customers, going directly to their customers, really focusing on meeting needs as well as being able to keep their doors open in some fashion.

Linda Niehm 06:11

Um, I think those that have been able to quickly pivot and think outside of the box have really fared the best. They realized early on that if they were to keep their business going during the pandemic, they needed to adjust their course. Largely, this successful group, I think has, as a whole, they're very

community-minded. So stepping up and providing products and services that are locally available during the pandemic, getting the, you know, to serve their customer in some way, shape or form has really been something that they've been able to leverage in the current environment.

Linda Niehm 06:51

So large firms maybe have curbside pickup or they're trying to do some of some of those, pick it up at the store, go to the Target service desk, etc., and that's great. But I've seen some small retailers really go above and beyond with, really, what I would call customized service during this time period. So I think those that have, you know, reacted in that way have, I'm not going to say it's a rosy time period right now, it continues to be a challenging time period, but they're certainly holding their own. And those that maybe had more of a fixed mindset have not fared so well.

Steve Adams, host 07:32

Well, I think one of the things I can say is the word "pivot" seems to be a mantra that we're hearing from a lot of small businesses that we've interviewed and a lot of economists that we've talked to, as well, Linda. And again, our economists haven't been exactly painting an extremely rosy picture, that they're expecting a large number of businesses aren't going to survive the pandemic for a variety of reasons. But you mentioned some of these, when it comes to these small retailers across the state, though, what do you feel is the biggest threat to their survival other than the pandemic itself?

Linda Niehm 08:09

Yeah. Well, you know, I mean, it was a challenging competitive, it always has been and even more so lately, it has been a challenging competitive environment for small retailers in our state. Competitive threats such as larger online businesses, for example, population outflows and just, you know, really maybe thinking about, who is my customer? I mean, my customer isn't who I thought they were or used to be, maybe their customers are aging out. So just really, all of those forces kind of combining pose a set of conditions that are potential threats. You know, of course, technology integration and business and that being the new normal for how consumers live and operate on a daily basis. Not, you know, a threat but certainly a challenge that small retailers need to realize and and upgrade toward.

Linda Niehm 09:08

So all of these forces, I think, suggest a need for our small retailers to be aware, continually scanning the market and the environment, what are emerging changes? Instead of being reactive, you know, you hear the phrase, be proactive and being willing to change. I mean, I think this is, perhaps one of these obstacles that I see for some of our small retailers is, you know, their mindset. So having more of an entrepreneurial and a growth-oriented mindset. How can we? Let's do it, you know, instead of, Oh, well, you know, I've never done it that way, or being just really resistant to change. So, I think that this mindset is truly one of their greatest resources. And it's going to help many small retailers survive and those that resist change, you know, probably won't. So I that's one thing that I really see. So I think you asked me how we could combat those threats. Was that the next question?

Steve Adams, host 10:10

That's correct, yeah, ways and things that retailers can do to combat some of these threats.

Linda Niehm 10:16

Yeah. So, you know, we can't change the environment, but we can change how we respond to it. So I really am an advocate for learning, learning, learning—yet using your knowledge and also technology as a tool to make better business decisions and help you find and reach the right customer. Communicate well and often to keep your customers coming back. I think figuring out how to utilize technology and other innovative marketing techniques that could be technology enhanced or just more, you know, personal face to face, but using those innovative techniques.

Linda Niehm 11:00

Small retailers need to make it appealing, easy for customers to find them, to buy from them, to ask questions, to solve problems. Simple things like even being open when the customers actually want to shop. I'm continuously baffled when I go to a small community, they're like, you know all we're only open til five. Everybody works out of town, they don't get home till six. Well, why do you think you don't have customers? Right? So I mean, just little, little things like that can have a big impact. So asking yourself as a retailer, what can I do to make my customers' lives better? And if you can come up with, you know, multiple ways to solve that equation, I think that's going to go a long way in helping you to combat some of these challenges.

Steve Adams, host 11:48

Well, in my past life, I was a chamber of commerce director in two different communities. And that was always one of my biggest struggles with some of my retail owners who said no, my business is open 9 to 5, but I was trying to emphasize to them that if you're not open when your customers are available to shop, they're not going to be able to come to your store, which kind of defeats the purpose. So I'm sure you've run into some of that as well.

Linda Niehm 12:13

Certainly, yeah, more often than I can count I run into that. So, you know, it just seems seems to be this mindset issue that both individually within your own business and being growth-focused, how can I make my customers' lives better? And then together, how can we as a business district in a small community, how can we complement each other, that we're creating this draw, that we're making the shopping inviting, that we have a nucleus of businesses that can really provide what customers are looking for in our community, instead of everybody being on their own page and having different hours of operation and looking at each other as competitive threats. You know, how can you to the degree possible offer complementary products, services, etc. I mean, I just really makes for a richer and more vibrant retail community, I think. So again, mindset I think is so important.

Steve Adams, host 13:22

Well and again, I appreciate that and I think the more vibrant retail communities, Linda, that I've visited have kept that complementary idea in mind, whereas—just as anecdotally as I can be—one small business I went into did not have what I was looking for, but they pointed me down the street and said, You know, I don't have it, but I know so-and-so down here on First or Second Street has that product, so you might want to go shop there. And I think the intent was to make sure that business did not go out of town, it stayed there in the local retail environment.

Linda Niehm 13:58

Right. In small communities, you oftentimes don't have a large magnet, maybe not even a grocery store now. I mean, that's a whole nother day's discussion, that's another podcast, if the grocery store goes away, because that draws people to town. But you know, you need to really have this, we're in it together mindset, I think, to be most effective and recommend each other and, you know, the more that can keep in the mix and be, you know, sustainable and thriving businesses, the better it is for everybody.

Steve Adams, host 14:33

Yeah, again, like I said, I can certainly appreciate that mindset. Well, not only the word pivot seems to be one we continue to hear about, but so also is the phrase "consumer confidence." And I think that's taken on a different meaning altogether during this pandemic. Normally, it would refer to how confident consumers are in the economy as a whole. But in today's environment, obviously, it can mean how much confidence a consumer has that they're going to be safe when shopping at a

particular store. So what things can small retailers do to communicate with potential customers? That, hey, you come into my store, you'll be safe while you're shopping in here, and how's the best way to get that message out? That seems to be a real issue.

Linda Niehm 15:17

Yeah, well, you know, again some of those methods of communicating with and reaching your customer, what, you know, zone are they operating in? You know, are you going to be better able to reach them through Facebook? Or are they more of a local cable kind of customer, depending upon their demographic background, etc. Really that, even if it's informal, but that research to know who your customer is and how, what's going to be relevant to them, how are you going to be able to reach them? So I think getting the word out to customers through marketing and media channels that are appropriate, knowing those platforms that they're on. And, you know, maybe it's a combination of the two, both digital as well as traditional methods.

Linda Niehm 16:07

But through those methods, as well as if your store is physically open, you can have some in-store techniques as well, but showing your customers that you understand, you know, the implications of COVID-19. You're like them, you know, you're a member of the community, you're trying to provide a safe place. You understand the safety implications, and you're here, you and your employees are here to make sure that your customer has all the care and safety that you possibly can provide. So doing that through your marketing communication, through your signage, through your store policies, through your employee training. Maybe you understand but do your employees understand? You know, so being certain that at every touchpoint, both digitally as well as physically that you have with the customer, that you're showing that you're taking care to have these precautions in place, you're trying to maintain a safe shopping environment.

Linda Niehm 17:08

Even something like how do you handle returns? That's a big thing with retail. Well, you know, most retailers that I have talked to as well as reading sources, like from the National Retail Federation, you know, waiting 48 hours before returning an item to the to the store, having a way that you're handling the product when it's in the store so it's in its own holding zone, having employees use latex gloves while they're handling merchandise so that they're not touching merchandise. I mentioned to you at the beginning of our podcast today that we're starting a new retail store. We just launched it this week at the Innovation Center at Iowa State.

Linda Niehm 17:47

So even things like scented candles, we're like, okay, well we're going to put clear seals, they're not real obvious, but you know, those didn't come, those were made by a local maker or we don't really want people, you know, smelling, sneezing, you know, all of the things that you hear about with COVID-19. So just taking extra precautions, putting clear seals on there so you can see that no one has unscrewed the lid, no one's been smelling it, no one's been touching it, you know, all of those those types of things. I think that, you know, just showing that you have an awareness and being very visual with it, you can give those examples through your social media posts or, again even, you know, through more traditional types of marketing depending upon what you think works well and reaches your customer.

Steve Adams, host 18:35

Okay, well, you mentioned consumer confidence and making sure that your customers felt safe in the store, but can't the same thing be said for employees and making sure that your employees are confident when they come to work and that they're working in a safe environment? We've had a previous podcast guest that said communication with employees is as important as communicating with customers about the safe environment.

Linda Niehm 19:01

Sure, I mean your employees are, you know, your right hand, you can't be in the store every, you know, open minute and they are the face of the store when you're not there. So you want to have them first of all be safe and healthy themselves. So in terms of good practices while they're in the store, you know, product handling, wearing face masks, having a glass plexiglass shield, cleaning surfaces after each customer interaction, avoiding handling of, you know, cash if possible or credit cards. It's not always possible to avoid that, but wearing latex gloves if you're going to be handling those types of things.

Linda Niehm 19:45

And then also, I think I had already mentioned the merchandise handling, if someone does return something that you wait 48 hours before putting it out on the floor. So you know, among all of those things, you know, just giving knowledge gives confidence to your employees, and having them consistently implement those precautionary steps certainly is advisable. I also wanted to mention that I've seen some other, kind of, besides consumer confidence, I think just other strategies for reaching consumers. And to me, this shows confidence that this retailer is really, really trying to, again, make my life better and meet my needs. So, it's particularly important in this pandemic time that we're living in.

Linda Niehm 20:42

So I've seen some really successful small retailers take this on as an opportunity to upgrade. They may have known that, oh, I probably should be selling online. I'm not quite sure I'm ready to do it. Well, this was like a push factor. So it really motivated them to take the steps, take the plunge, and I have seen a number of them say, I probably would not have done this had I not had this. You know, we're not wishing the crisis on anyone, but this was a push factor and now I'm glad that I did it. So we've seen some retailers really grow from this experience. I've also have seen retailers delivering products around town or having curbside pickup for customers, which is kind of Hy-Vee but on a smaller, more personal scale.

Linda Niehm 21:33

Shoe retailers having appointments for personalized in-store shopping, other retailers as well. There's a shoe retailer I know particularly does that online gift ordering, gift wrapping, then shipping. So you know, if you have online sales capabilities, being able to do those things—people can't get out and shop as readily perhaps right now. I even saw one shoe retailer come out to the sidewalk with a chair, two chairs, sitting there serving a customer, an older lady, and helping her try on different pairs of shoes. So she didn't have to come into the store and they could maintain social distancing. I'm like, that is really going above and beyond. I was, I got goosebumps, I was so impressed by that. So customers want it fast, they want it to be healthy, they want it to be transparent. And I think if you're local, they know where the goods came from. You can drop it off at their front door. And there are many ways that retailers can find such opportunities to meet their customers' needs and, you know, hopefully keep them coming back during these challenging pandemic times.

Steve Adams, host 22:43

Well, I would say most of the retailers that I interact with do have some kind of online or e-commerce presence at the time being, seems like that's becoming more and more essential. Do you think every small retailer ought to have an online presence? Are there some that maybe don't need it as much?

Linda Niehm 22:59

Yeah, you know what, let's just be honest, this is the equivalent of a modern day phone book. I mean, if you're not, if you don't at least have a presence—I'm not saying you must sell online, I think it behooves you to move in that direction, as quickly as possible and have some degree of online sales—but everybody needs an online presence. If you're not online, nobody knows how to find you. It's just

that simple. And they need to know when you're open. Today's consumer is on an on-demand basis. They know that if they go online, they order something from Amazon, it's on their porch tomorrow. So you know, you can't make yourself have hurdles or hindrances for them to be able to shop with you. So having information that they need to know readily available, searchable information, that's just of prime importance today.

Linda Niehm 23:56

So I think every small retailer needs to have some online presence, and online presence and selling, though, are complementary but different things. So it, you know, behooves I think all small retailers to be multi-channel and that might mean different things. It could mean having a store and selling online, it could mean having a store and I also go to farmers markets, it could be having a store and I also, you know, have a food truck or, you know, some other channel that I sell through. So selling through your store in some combination of other distribution channels means that you're multi-channel, so I think our small retailers really need to figure out, how do I not put all my eggs in one basket? How do I reach more customers? How can I have synergies across these different channels that will help me to reach more customers, obtain more sales and create more brand awareness?

Steve Adams, host 25:00

So again, you mentioned, you know, retailers now somewhat being pushed in that direction. But let's say I'm a real novice here and I don't know much about e-commerce. What advice would you have and where would you start if you didn't have an e-commerce presence?

Linda Niehm 25:18

Yeah. So you know, if you're looking at selling online, I think it has become easier and somewhat less daunting. But it's still, you're going to have to just realize, like some of these retailers that were not online, and boom, the pandemic hits, are like, man, I gotta get with it, you know? So, it's gonna take some investment of time, there's some real learning curve, some training, but you can gradually scale up. You don't have to go whole, you know, full force into it. I think the business assistance sources that we have readily available, and you're doing things through extension, university programs such as the one I'm associated with.

Linda Niehm 25:59

We have a class now that our students can take and it's always part of our outreach projects too, I must mention that every one of these outreach projects, I can't think that there's anyone in recent memory who hasn't said, I need help with my social media and just really how to get my online presence shored up and that sort of thing. So you want a cohesive brand identity, you know, what the customer sees in the store and what they see online and through any other channel that you distribute through, it needs to be consistent. So, extension, university sources, Small Business Development Centers we already mentioned. Learning from fellow retailers helping, you know, helping each other out. Local Mainstreet groups, I think those are all sources to contact.

Linda Niehm 26:53

Community colleges may also have those kinds of programs and resources. And I also am increasingly impressed with some of the e-commerce systems and POS, point of sale systems, that if you upgrade your POS system, oftentimes it has ecommerce capabilities with it. So along with that comes resources and training programs, such as Shopify, Square, Clover—those all have really amazing, probably Shopify being the lead one that has customer support and training. Really, they're not just selling you a product, they're helping you to get it up and running and suggesting, you know, ways to facilitate its use in your business.

Steve Adams, host 27:43

Well, Linda, before we go today, is there anything you'd like to say that we haven't really talked about and advice to the retailers in small towns across the state of Iowa?

Linda Niehm 27:55

Yeah, well, we spent quite a bit of time there talking about e-commerce platforms. And I guess one thing in regard to those before we totally leave the e-commerce topic is not just viewing it as a sales tool. I mean, I know that's a means to an end, that our businesses certainly want to get more customers, more traffic, more sales. Certainly you need to do that in order to create revenue and be sustainable. But I want to also emphasize the fact that correctly selected—you know, asking yourself, what do you want this e-commerce platform and POS system to do for you, that it can also help you make better business decisions. Because it's gathering data as it's selling, as it's helping you to sell, so then you can, in turn, use those reports and use that information.

Linda Niehm 28:51

Likewise, gathering data from your social media platforms and gathering reports on how many people visited your page, how many likes, how much time do they spend on it, you know that that sort of thing. Data-informed decision-making even small businesses on a, you know, less intensive, it's not big data, but it's your data and it's meaningful data and using that to help guide you to making better decisions. I think that's really important. And kind of a next step in the e-commerce process, I guess I'd also like to encourage small retailers to keep innovating and adapting, being aware of the needs of their communities and their customers. I already mentioned trying to be multi-channel in some way. So integrating digital and online functions and you know, maybe having a store and having pop-up shops, you know, maybe that's elsewhere. Maybe that's your way of being multi-channel.

Linda Niehm 29:58

But figuring out a way that you can be multi-channel and that will in turn help you to extend your reach, your brand awareness and grow your customer base. I'd also—and I think we really undersell ourselves in Iowa, you know, think oh, we're Iowa, we're the Midwest—you know, I would really encourage you to think about what is unique about your offerings and about your products. Take advantage of and promote what's unique and distinctive about your community, the products you offer, your services, experiences that you can offer to customers, and you know, and I think that in itself will be a really big selling point. So there are many things that Iowa retailers can offer that I think resonate with today's customers.... being authentic, transparent, down to earth. These are real products made by and offered or sold by real people. Customers want to know the story behind the product, so Iowa retailers need to tell their story, digitally and in person—and I think they really have a great story to tell.

Steve Adams, host 31:05

Yeah, "Iowa nice" creeps into the retail environment, sadly, and I've worked with many retailers that didn't know how to price on a point of sale basis and were truly undervaluing their products. So that's been a real struggle for me with some of my clients as well. But well, Linda, if somebody wants to get ahold of you to ask about anything that you and I have talked about today, what's the best way for them to do that?

Linda Niehm 31:27

Sure. They can reach me by email at Iowa State and my email is my last name, niehmlin@iastate.edu, so niehmlin@iastate.edu.

Steve Adams, host 31:44

Terrific. Again, our guest today has been Dr. Linda Niehm, professor of apparel events and hospitality management with Iowa State's College of Human Sciences. We have appreciated Linda's time today

and if you have any questions about this Back to Business Iowa podcast, please feel free to contact me, Steve Adams, at stadams@iastate.edu. And as always, thanks for listening.

Steve Adams, host 32:13

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