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Revitalizing Rural Development through Cultivating Fashion Entrepreneurship: An Exploratory Study on Small Fashion Retail Businesses in Mississippi, USA

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**Keywords:** Retail, disruptors, economic, rural

**Rationale of the Study:** Henderson (2007) states that one of the most crucial components of local economic development is rural entrepreneurship which encompasses small business. The state of Mississippi is comprised of 82 counties, and many of which are rural. Small businesses play a significant role in the economic growth of the state of Mississippi. Researchers agree that small businesses support economic development (Fuller-Love et al., 2006, Frazier et al., 2012). Small businesses are vital for economic growth, the U.S. has over 26 million small businesses, which makes up between 60% - 80% of job creations. However, besides job creation, small businesses shape the overall culture of the community by creating downtowns, entertainment areas, and service industries. More than ever today's retail environment has become increasingly competitive. To keep up with the increasingly changing disruptors, scholars believe that, retail enterprises in rural areas should evolve by upgrading their operations and capability of resiliency to adapt to the current retail environment. It is also believed that closing or stagnation of small businesses is not only a problem for individual enterprises, but may also negatively impact the industrial competitiveness and social inclusion of the rural/small town economy. Given the importance of entrepreneurship in small retail businesses on economies, and the challenges they are facing, the **objectives** of this study are (1) to explore how can rural small business adapt to retail disruption in Mississippi, and (2) to develop research-based application models to help rural small businesses in order to increase economic impacts and to promote continued community economic growth.

**Research Method:** This study adopted Human-Centered Design (HCD), which is considered an appropriate approach to develop a plan to help small business adapt to disruptions in the retail industry. The three main phases of HCD are: (a) *Inspiration*, (b) *Ideation*, and (c) *Implementation* (Figure 1). In-depth interviews were conducted to explore issues and potential solutions along these three phases. Specifically, for the *Inspiration* phase, in-depth interviews can better explore the internal quality (e.g., business owners) of an enterprise and those external environments (e.g., technology, support) around the firm to gain insights pertinent to the enterprise. Such understanding will facilitate identifying specific needs and issues of small business in these counties to fulfill objectives for the rest of two phases. Specifically, during the *Ideation* phase, innovative prototypes/models for enterprise growth will be developed based on the results obtained from the *Inspiration* phase with available resources. Once tested and revised, the models are to be refined through multiple iterations. Finally, in the *Implementation* phase, a plan for the refined models will be provided to those entrepreneurs.

**Figure 1: Framework Adapted from HCD**

This paper report findings obtained from the inspiration phase with the aim to identify and quantify factors that spur the growth and survival of innovative efforts or that contribute to the success of small business. First, a partnership with the Enterprise of Mississippi (EM) of XX and XX Counties was formed. The EM identified a few rural entrepreneurs running small fashion businesses and recruited them as participants. A snowball sampling method was applied to identify more entrepreneurs. Interviews were conducted using Pure Chat, an online live chat and visitor tracking software. Most interviews were conducted within 40-60 minutes. Among those nine interviewed fashion entrepreneurs, one was male, and eight were female. Their ages ranged from 22-56 years. Only three out the nine businesses hire employees, and the years of operation ranged from 1 to 45 years. After these interviews, one of the authors reviewed all of the collected responses and made extensive notes. These notes along with the other transcripts were loaded into Nvivo software for qualitative analysis. All transcripts were reviewed by three researchers and discussed to identify initial themes. Then, the primary investigator coded the transcripts obtained from the nine participants.

**Findings:** Analyses revealed themes about both internal and external factors. The main themes about **internal factors** include *Consistency of Interests, and Resiliency* reflects grit. Participants articulated the various challenges they face: such as lack of funding, being lonely, overbuying of products, poor forecasting, managing data, higher workload, and low cash flow; poor financial management/bookkeeping. Despite these challenges the entrepreneurs were resilient and kept going. Regarding **external factors**, *Technology* was identified as the most dominating theme. Technology reflects to what level business entrepreneurs apply technology in their business. Participants indicated using social media (Facebook and Instagram) may help market communications; however, all participants indicated they were not tech savvy. Out of the nine participants, only three of them indicated the use POS system, and most of them still hand write receipts. Some participants indicated “*Slow internet makes it difficult to process payments.*” When participants were asked if they received *Any Support from Government/Non-Government and Education Institutions*, all participants except for two said NO. Some of the support they wished they could get included training, mentoring, learning to better use social media. For instance, one participant stated “*love to receive help learning how to better use social media to reach more people. I also would like to learn how to use the computer.*” Another mentioned that said, “*Social media boosting to promote web sales...*”

**Conclusion:** With the need for community-driven economic development, the finding from the inspiration phase of this study indicates a critical need for a model where government/non-government and education institutions come together to provide support for existing small businesses. Even though current assistance agencies provide financial and skill development support, university resources are needed because they are the primary resource for research-based solutions to local problems. Infrastructure providing high-speed Internet is imperative to rural development and economic growth.

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