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Clicks and Mortar: The Modernization of Boutique Retail to aid Rural Revitalization in Mississippi

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CLICKS & MORTAR: THE MODERNIZATION OF BOUTIQUE RETAIL TO AID
RURAL REVITALIZATION IN MISSISSIPPI

By:
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A thesis submitted to the faculty of the University of Mississippi in partial fulfillment of
the requirements of the Sally McDonnell Barksdale Honors College

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Mary Linley Albert
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Dedicated to my father, Dr. Michael H. Albert, without whose example of hard work, dedication, perseverance, kindness, and love I would not be the person I am today. Love you to the moon Big Guy.

-“Bop”

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ABSTRACT

Clicks & Mortar: The modernization of boutique retail to aid rural revitalization in Mississippi
(Under the direction of Professor Cynthia Joyce)

As ecommerce outlets boom, many brick and mortar stores cannot keep up and are forced to shut their doors. Rural retailers have been hit harder than any other segment by this supposed Retail Apocalypse. In the same vein, many previously online only businesses are opening brick and mortar locations.

The purpose of this research is to understand the combined necessity of physical and digital commerce for businesses and lay out an omnichannel strategy, the Clicks and Mortar method, that is tailored directly to the needs of rural boutique clothing retailers. The methods used to gather research and data include primary and secondary research. In depth interviews with six boutique owners, 20 rural citizens, and multiple industry experts were conducted, as well as the retrieval and reading of scholarly journals and relevant news articles.

This research concludes that rural boutique retailers who integrate or continue to integrate digital technologies and modernizations into their stores in four categories: online presence, instore experience, customer service, and convenience, will be sustainable as well as help stave the economic backslide in the rural communities in which they exist.

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INTRODUCTION

Rural America has been hit extremely hard by the digital age of retail (Luoma,2018.) These areas do not attract large stores because of their low density of population and rely on locally owned commerce locations for goods and services. However, locally owned stores are not as convenient or cost efficient as e-commerce retail giants like Amazon, nor do they offer as vast a selection of merchandise. In 2017, more than 3,000 brick and mortar retail stores closed their doors, with many more retail stores closing in 2018(Marks, 2017).

Mississippi is the poorest of all fifty states in the United States of America by gross domestic product (GDP) (Kramer,2019.) Since 2009, annual Mississippi GDP has averaged 0.4 percent growth rate with a national average annual GDP growth rate of 1.9 percent (Maloney, 2015.) From 2013 to 2016, the Mississippi GDP actually declined by .19 percent, showing that money is not being pumped into the economy by citizens within Mississippi (Engebret, 2019.)

The state of Mississippi is also considered the poorest of all states in the Union by poverty index standards (US Census Bureau, 2018.). The national average of citizens living below the line of poverty is 13.4 percent. Unfortunately, the percentage of Mississippi residents who live below the line of poverty is much higher than the national average at 19.8 (USCB, 2018.)

One of the most significant roadblocks keeping Mississippi from economic advancement is the lack of metropolitan areas within the state. The state has an extreme

number of small cities and rural areas. The United States Department of Agriculture makes three distinctions between cities. A city is classified as either urban, rural, or extremely rural. According to the USDA standard, areas with 2,500 or less citizens is considered extremely rural, and areas with 10,000 residents or less is considered rural (Cromartie, Schultz, 2019.) In total, Mississippi has 297 municipalities, cities or towns that have corporate status and local government.

Of these municipalities, 150 have between one-thousand and six-thousand citizens, while another 120 have fewer than one-thousand citizens. This means that by the USDA standard, fifty-one percent of the state of Mississippi is considered rural, while forty percent of the state is considered extremely rural. Therefore, ninety-one percent of the state of Mississippi is considered a form of rural by the USDA.

Retail store closings are particularly concerning as retail is the largest provider of employment in the United States. Retail stores directly and indirectly supports 42 million jobs, provides \$1.6 trillion in labor income and contributes \$2.6 trillion annually to U.S. GDP (Shay and Bright, 2014.) What is more astounding is 40% of these retail stores are small businesses, businesses that employ less than fifty people. Though retail store closings are dangerous at the national level, they are even more problematic at the state level, particularly in Mississippi. Retail is the largest provider of employment in Mississippi, with nearly 350,000 jobs and \$10 Million of GDP supported by the retail industry.

There are currently 57,075 locally owned, small business retailers across the majority rural state of Mississippi (Office of Advocacy, 2018.) Of the nearly 60,000 retail stores in Mississippi, 25% are clothing retailers. These stores are classified as

boutique retail due to their size, pricing, scalability, and limited offerings. The draw of these stores is customer experience and convenience (Carroll, 2019.) The boutique retailer competes on service and quality of product rather than on price and selection, with the intent of leaving a distinct impression with every customer interaction (Cummins, 2015.)

At a national level, the business model of boutique retail appears to be dying as many patrons place the convenience, larger selections, and better prices of ecommerce over supporting local business that charge a higher price (Thompson, 2017.) Moreover, based on conversations with citizens across the state, many boutique stores are no longer providing a superior experience for shoppers and stock many of the same items that patrons can find online at much more affordable prices. As e-commerce retailers take more of the market space, rural areas, and the boutique retailers of those areas, such as the ones covering nearly the entire state of Mississippi, could struggle to retain their current level of sales. For a business such as a rural boutique retailer, even a small reduction in sales has the potential to become a struggle for profitability and viability.

As rural boutique stores continue to struggle and close, rural regions lose more than just a clothing store because these regions rely on local boutique businesses not only for goods, but also for employment and taxes. When the businesses close, local citizens lose their means of income, forcing them to expel resources commuting longer distances to work or leave the rural area altogether, meaning less money and tax revenue is put into the rural area's economy. This means there are fewer citizens shopping at other businesses in the rural region, which could lead to a domino effect of store closures across the rural area, causing the rural area to further backslide into economic despair.

This dynamic is already happening in rural areas across Georgia. Darien, Georgia, is a rural town 50 miles south of Savannah, with a population of only 2,000 citizens. The town hosted an outlet center that boasted many local and a few large name stores. In 2015, store closures saw the center drop to only 25% occupancy, which caused the county to lose many jobs and 80% of its tax revenue, according to Georgia Chamber of Commerce CEO Chris Clark (Parker,2015.)

Many other small towns are experiencing the same losses as more stores close. Therefore, this thesis argues that it is paramount that efforts be made to stem closures of rural boutique retail. This research suggests that abandoning the former model of boutique retail mentioned above for a modernized boutique clothing store can stem rural economic disparities by creating more revenue in these rural economies, saving current jobs, and potentially creating new ones.

This new concept for rural retail uses an omni-channel approach, meaning it combines traditional and modern methods of retail so that the boutique stores can earn money in the traditional storefront selling method while also garnering additional income from online and social media selling. Omni-channel retail focuses on a seamless transition between each interaction the customer has with the brand. If done correctly, the customer has the potential to become deeply devoted to the brand (Von Briel, 2018.) While omni-channel strategies exist currently, the strategy laid out in this research is original to this thesis and tailored specifically for rural retail boutiques.

This research will refer to its omni-channel approach as the “Clicks and Mortar” method of integration. The Clicks and Mortar method requires rural boutique retailers to integrate digital and traditional selling in four particular key areas so that stores can

compete with ecommerce retailers and aid in the economic revitalization of the rural communities in which they exist: web presence, experience, service, and convenience.

The first area of integration requires boutique retailers to create a website and social media platforms. This area is paramount as an online outlet will allow consumers to shop without having to travel or ever enter the store. Creating social media accounts is not enough. The retailer needs to have a strong presence via social media to connect with shoppers and command attention.

The second area of integration is to provide a complete customer experience. Research shows that consumers want more than a place to purchase items when they go to a brick and mortar shopping location, they need an experience to get them into the physical location. Researchers are calling this phenomenon “shoppertainment” (Krautzel, 2016.). Large-scale retailers are already making strides at creating functional stores that also provide entertainment for customers, and rural retailers will benefit greatly from following suit.

The third area of integration is to provide superior customer service. This area follows area of integration number three because customer service is part of the overall store experience. This means taking extra measures to train employees on how to make emotional connections with customers. It also means potentially paying employees a higher salary to be more proactive.

Gone is the underpaid employee who merely works the cash register or hands a larger size through the fitting room door. Customers want an employee that connects with them as though they are a friend. This should be the easiest integration area for rural

retailers because these stores are located in low population areas, making it easier to know, recognize, and remember store patrons.

The fourth area of integration focuses on customer convenience. The major selling point of Amazon and other ecommerce retail giants is the ability to order from home and have items delivered in a short period of time. Following area of integration one and creating a strong online and social media presence will strongly aid in the area of convenience. Offering discounted shipping on online and social media purchases would give rural retailers a competitive edge in the convenience category. Rural retailers could also offer same day delivery and many other options to compete with ecommerce retailers and create exposure within their rural community.

Reducing prices would increase convenience for customers and boost sales. This does not mean dropping prices to the exact same level as ecommerce retailers such as Amazon or drive prices so low that rural retailers cannot make a profit. It means potentially finding new wholesalers with better prices and lowering existing prices. The lower prices mean that rural retailers will have a lower profit percentage per item, but it will allow for more consumers to purchase. In the long run, lowering prices could produce higher profits and increase convenience for the customers.

If rural boutique retailers can follow the “Clicks and Mortar” method and integrate digital and traditional methods of selling in these four areas of integration, the economic backslide of rural retail could be staved off. It is important to note that this research does not argue that by following the “Clicks and Mortar” method rural clothing boutiques will become wildly successful stores with the ability to scale or franchise. That is not the way of boutique retail. The allure of these stores is their exclusivity and

individuality. However, this does not mean they will not be successful after following the “Clicks and Mortar” method. Instead, success will be measured by continued sustainability, revenue growth, and expanding into online retail space.

This research also does not argue that rural boutique clothing retailers using this method will be so prosperous as to erase the financial gap created by the e-commerce revolution completely. The economic gap in rural regions is very complex, and it will take more than modernized boutique clothing stores to completely rid rural regions of economic despair.

The purpose of this research is to show the importance of boutique retail in the rural economy and that by following the set plan to integrate digital commerce with traditional brick and mortar retail, these stores can set a precedent in their communities. Further, as these stores profit, they can be the blueprint for many forms of business to relocate back to small towns, lessening the economic gap even more.

CHAPTER ONE

The first area of integration requires rural boutique retailers to create and maintain impressive social media accounts and an ecommerce website, a website through which customers can see products and make purchases. Most rural boutiques currently have at least one form of social media, generally Instagram or Facebook, but they do not have an ecommerce website (Carroll, Moore, and Warren, 2019)

Moreover, some rural boutiques do not understand how to use the different social media platforms as a strategic marketing advantage. Instead, some retailers are currently operating social media accounts with random and sporadic posts that can create confusion and do not send one clear marketing message across all platforms, a necessity in today's retail world.

This area of integration is of the highest importance for rural boutique retailers because it not only legitimizes their store, it allows them to grow their business without the added expense of expanding their store's physical footprint through opening a second store or moving to a larger location.

Even though rural boutiques are by definition very small establishments and find their general clientele consists mostly of local residents, adding and maintaining an ecommerce website and social media accounts has the opportunity to improve business in many ways. The main area in which social media accounts and an ecommerce website will help rural retail boutiques is in reach, sales, brand legitimacy, and brand loyalty.

Reach

First, having an impressive website and active social media accounts extends the reach of the rural boutique. On average in 2017, the daily use of social media worldwide was two hours and fifteen minutes (Global Web Index, 2017). This means that fifteen percent of time spent awake each day by customers is devoted solely to social media use, providing a large marketing opportunity for rural retailers to connect with customers in a more detailed way.

Further, studies show that nine out of ten consumers look to social media before making a purchase (Qualman, 2013.) Best-selling author of *Socialnomics*, Eric Qualman said it best. “We do not have a choice of whether we [businesses] do social media. We have only a choice of whether we do it well”(Qualman, 2013).

Therefore, commanding a strong presence on Instagram, Facebook, Twitter, and other social media platforms, as well as having a website to direct users to from social media platforms, will allow the rural retailer to ingratiate her boutique into the daily life of customers. Some rural boutique retailers are already making strides to integrate social media and a website into their business. Gypsy Rose Boutique in Sebastopol, Mississippi, population 278, believes Facebook is the best and most convenient way to interact with customers. “Social media plays a big part in my business,” says Lauren Davis of Gypsy Rose Boutique. “A majority of my customers come from Facebook. I will post new arrivals, giveaways, and upcoming events on my page. We have over 6,000 followers, and I can reach all of them just by simply making a post.”

The main objection to creating and maintaining a website and social media accounts is the financial and time cost (Soderlund, 2016.) While social media accounts are free to create, boutique retailers would have to put time into curating posts and keeping the account up to date. This would take away time from other activities of the boutique, but the benefit of reaching new customers and connecting on a deeper level with current ones outweighs the loss of time (Chatham, 2019.)

While a website is not free, it is also not as costly or time consuming as many current retailers believe. It is no longer necessary to build a website from nothing. Platforms, such as Shopify, exist that will do all of the coding and detailed framework for the rural boutique retailer for as low as \$29 per month (Shopify, 2019.) Shopify and other platforms of its nature allows the retailer to be competitive in the ecommerce world without in-depth computer knowledge or committing large amounts of resources to digital innovation.

Karlyn Warren, owner of True Blue Boutique in Pontotoc, Mississippi, population 6,077, uses Shoptiques, a creative online market that allows boutiques to make a virtual store and customers to shop boutiques from all over the world, to reach customers that she otherwise could not reach. “They [Shoptiques] do all the advertisement and reach customers worldwide and take up to 25% from the sale. So I use that to reach customers that I would have never gotten any other day. We’ve shipped to almost every state and 5 different countries through Shoptiques,” said Warren. It is important to note that Gypsy Rose does not use Shoptiques as its only ecommerce outlet. The boutique uses Shoptiques for customers outside their normal realm of influence and makes use of a personally created ecommerce website for other customers. “We promote our own

website on social media, because the profit margin is higher since we aren't having to give up the commission.”

Using social media such as Facebook, rural boutique owners could take advantage of what Forbes listed as “the most powerful marketing tool in America,” particularly due to the addition of Facebook Power Editor (Facebook, 2019.) This new addition to the platform offers small businesses such as rural boutiques the power to run advanced and highly targeted social media campaigns across Facebook and Instagram for as little as \$2 per post. Understanding how to operate and successfully use Power Editor is pivotal because Facebook has more than twenty million monthly users and can target audiences so specifically that little to money is wasted trying to reach new customers.

Miss Priss Boutique which started in Puckett, Mississippi, population 344, uses the Power Editor function and has found success with the tool. Owner Kim Moore believes the tool is helpful because it allows her to specifically target an audience that is interested in what she is selling, as well as exclude audiences that are not interested.

This feature is paramount as rural retailers have very little to spend on marketing and cannot afford to waste money reaching a vague audience while attempting to reach a very specific one. “My business is small, and I don't have a lot of extra money to spend on advertising. Using Facebook lets me know I am putting my advertisements in front of the right people,” said Moore. “I've spent as low as \$2 and as much as \$20 on Facebook ads.”

In addition to easily and cheaply creating powerfully targeted ads, Power Editor offers rural boutique retailers the ability to see the analytics for their ads at no additional fee. Statistics show that it takes four to six impressions for a user to decide to purchase an

item, and using Power Editor, rural retailers would be able to see how many people were engaged with a particular post, how many users scrolled past the particular post, how many clicked through to the boutique's website, and where attention for the post dropped off (Facebook, 2019.) "It's really helpful. I just log on and it tells me who saw my advertisement and how well it did. It even lets me compare to other advertisements I've made to see which ones do better," said Moore.

Sales

Second, having a website and social media accounts offers customers more opportunities to interact with the boutique and its products, thereby giving the rural boutique an opportunity to increase product sales. "A business that isn't utilizing social media will not survive in today's world," said Warren.

As of 2017, consumers in the United States only purchase thirty percent or less of clothing items in physical brick and mortar stores (Statista, 2017.) Studies show that Millennials and Generation X buyers in particular purchase sixty-eight percent of items from websites and social media because of the ease and convenience it gives them (Global Web Index, 2017.) If the target market for rural retail is making a significant amount of purchases online, through apps, and through social media, rural boutique retailers must have websites and social media platforms to stay competitive.

In Mississippi alone, online retail purchases grew by 17% in the year 2017 (Halzack, 2017.) Put simply, choosing not to integrate ecommerce methods into rural boutique retail throughout Mississippi is ignoring a potentially sizeable revenue stream. In 2018, ecommerce sales had nearly doubled from 2014 numbers with 525.7 billion

dollars being spent by United States consumers, and the numbers are not stagnating. Economists predict that the amount spent by Americans through ecommerce methods will grow by fifty-eight percent by 2022 (Halzack, 2017.)

Consumers want to interact with companies from which they purchase, and, according to the Sprout Social Index, fifty-seven percent of consumers are more likely to purchase from a brand that they see online or follow on social media (Sprout Agency, 2017.) Along with this, ninety percent of independent retailers say that Amazon, which sells products through its website, app, and adds on social media, has a negative effect on their business (AIB, 2017.)

“The more you engage potential customers on social media the more likely you’ll be to drive sales. On a daily basis someone comes in to purchase an outfit we’ve advertised that day. Some days we do all sales because of social media advertisement,” said Warren of Gypsy Rose Boutique.

Though in-store sales are still occurring and are a vital part of rural boutique retail, the consumer demographic is shifting to new forums and platforms to purchase clothing items. Therefore, rural retail boutiques must shift their selling strategy to include a website and social media platforms, creating the potential to increase profits and stem the economic backslide of their communities.

The purpose of this research and using these integration techniques for rural boutique retailers is to create a business model that works not only for small towns, but also for the digital age and is a blueprint that other small businesses can follow to help ease the economic backslide in rural Mississippi. Research from Deloitte Consulting firm’s digitally advanced small business analysis showed that small businesses that

successfully operate a website experience revenue growth that is four times as high as small businesses who do not operate a website (Deloitte, 2019.)

Further, digitally advanced small businesses are three times more likely than non-digitally advanced businesses to create new jobs, and they see employment growth rates that are nearly six times higher than those of non-digitally advanced small businesses (Deloitte, 2019.) Olivia Chatham, Marketing Director for the boutique Deep South Pout in Starkville, Mississippi, a town that is considered rural when excluding the land-grant University there, is a prime example.

Chatham was hired to manage online sales and marketing as the boutique expands itself digitally. “We [Deep South Pout] realize the growth opportunity in digital channels and have consistently focused on expanding our reach through social media, online store, and our mobile app,” said Chatham. The boutique has seen its digital revenue reach nearly 50% of all sales (Chatham, 2019.) True Blue Boutique has also seen the digital revenue increase in store, and owner Karlyn Warren looks forward to bringing on new staff members specifically for digital sales in the near future (Warren, 2019.) Integrating digitally provides the potential to raise revenue for boutiques. It also has the potential to add employment within the boutique, specifically employees who work with the digital marketing and online orders.

Brand Legitimacy

A strong command of social media platforms and an engaging website are critical to the continuance of rural boutiques because it promotes brand legitimacy. Eighty-eight percent of United States citizens are using the internet (ITU, et al, 2019.) Ninety-seven percent of consumers report using an internet search to find information about businesses

local to their area. This statistic is important because it debunks the notion that if the area is rural and low in population, many people will already know about the store. Despite these statistics, 46% of small businesses still do not have a website with which to conduct business (Soderlund, 2016.)

It is important to understand that many rural retailers believe that they do not need a website. Rural retailers use reasons such as cost, time, or lack of relevancy as reasons to not digitally integrate their business. Southern Charm Boutique in Baldwin, Mississippi, population 3,304 does not have an ecommerce website. The boutique had a website in the past but deemed it, “unsuccessful.”(Stephens, 2019.) Other boutiques such as Gypsy Rose, see the merit of a website but do not have the time. I am currently a business owner, full time, and mom of two,” says owner Warren. “I wish I could hire someone to help me monitor one, but as of now, I just don’t have time to fully give it my all.”

Even though consumers may be able to find rural boutique retailers on Facebook, Google Maps, or Yelp, the largest part of brand legitimacy and reputation comes from a company’s website. It is true that listings may provide business details, reviews give other customers’ opinions, and social media platforms would provide a partial view of the brand, but on a website, rural boutique retailers have the opportunity to let prospective customers hear directly from them about the brand and position of the boutique.

Further, if rural boutique retailers rely only on social media, they lose the ability to personalize and showcase the uniqueness of the boutique. Originality is a key quality for the boutique retail model, and losing that quality by choosing methods that limit

Moreover, thirty percent of American consumers will not even consider doing business with a company that does not have a website(Cole & Sumon, 2017.)

Research conducted at Stanford University found that forty-six percent of consumers made their decision about a business' credibility based upon its website's design, layout and typography (Fogg et al, 2002.) This means that a website is the digital storefront of a business. Just as the physical storefront reflects the identity of the boutique, a website, or lack of one, allows digital users to form opinions on the quality of the products and services found inside the boutique. Even though these two previous statistics are for America as a whole, and numbers would be lower for a rural area, it is important to realize that they still apply. Rural America, is innovating, though at a much slower pace than urban areas, and it is necessary that customers can find first hand information tailored specifically to the rural boutique online. Shopping digitally will not stop. In fact, ecommerce will only increase as statistically shown above.

Brand Loyalty

Last, rural boutique retailers need a website and strong social media presence to keep and increase brand loyalty. Currently, many rural boutique retailers feel that ecommerce and online retail takes away from the boutique experience. "We don't overuse technology, because we feel it will make our store loose its personal touch," said Warren of True Blue Boutique.

Though her experience and opinion are valid, studies show that ecommerce and social media could increase brand loyalty as the customers get to interact with the brand more times and in more ways than just while in the physical store (Mousavi, 2015.)

The purpose of a boutique experience is to make the customer feel as though they are the only client of the boutique, and that they are special and cared about, creating the need for each interaction to be tailored specifically to the client's interest (Carroll et al, 2019.) There is no better way to create a unique and tailored experience than by allowing customers to interact with a boutique at their leisure and ease through an ecommerce website and social media.

For the "I Just Can't do its"

It is important to note that some rural retailers cannot or will not operate an ecommerce website, regardless of data proving revenue growth. The task of maintaining the website with updated pictures and products appears too daunting or unnecessary for a company struggling to make ends meet in an area that already has a small economy. Though profit margins are not as large, a concession to running an ecommerce website and social media platforms is for rural boutique retailers to operate a non-ecommerce website. This type of website would not require daily maintenance or as large of a start up fee, and could be combined with SocialShop or other platforms of its nature to allow customers to shop directly from social media.

Making use of transformative platforms such as Social shop, social shop now, and easy social shop allow small businesses to turn their social media platforms into retail selling machines without making an individual ecommerce website. Content marketing expert Bill Wildmer calls these sites "The cross roads between social media and ecommerce" (Wildmer, 2017.)

The process of using these sites is very simple. Customers enter their account information into the server using a link provided by the particular boutique. From here,

the customer needs only to comment their desired size, color, and amount of a particular item they see in a boutique's social media post. Rural boutique owners then charge the customer using the provided information and prepare the item to be shipped or picked up in store by the customer (Socialshop, 2018.)

Kim Moore, owner of Miss Priss boutique, uses Socialshop for her boutique. "I don't have the time to manage a website," Moore said. "I am a busy mom and wife, so for my business, it just makes more sense to use Socialshop. It helps capture impulse buyers and is easy for me because the customer's information is already there. All I have to do is click the charge button."

Jo Carroll, owner of Flaunt Boutique in Carthage, Mississippi, population 4,822, also prefers selling through social media and having a non-ecommerce website. "Most of the women who shop with me I already know," said Carroll. "People order through Instagram, and that is enough for my business. I want to be the best in Carthage, and I'm not trying to expand beyond that."

Using these platforms combined with a non-ecommerce website is a suitable, yet second place, alternative to running an ecommerce website. These platforms do drive sales, but they do not provide as large of results as a fully operational ecommerce website due to set-up barriers. Boutique owners using the platform face the challenge of making customers aware that the software exists and getting customers to follow a link and create an account with the social shopping platform. "I will admit it's hard to get customers to sign up for Social Shop," said Moore. "At first a lot of people confuse it with getting an email invoice, but once you get customers to make an account, it really does increase your business."

CHAPTER TWO

Though forms of ecommerce are starting to take more market share, shopping in physical stores is not a concept of the past, and statistics show that shopping in brick and mortar stores will continue to be relevant in the near future (Bines and Bassuk, 2018.) Commerce has faced disruption many times in the past yet always continued by reinvention. Now, commerce is again pressured and needs only to go through a phase of renewal to endure yet again.

Artisans of ancient times were disrupted by traveling merchants who brought with them access to far away goods and new technologies. Merchants were later disrupted by spice-route traders who could travel faster by boat than merchants could travel on land. Then came open air markets and bazaar style shopping, which were later disrupted by physical stores in a town square. The town square was disrupted by the emergence of larger and more convenient shopping malls, and now fast fashion and online commerce are breaking into the scene (Bines and Bassuk, 2018.)

Regardless of the manner in which it has taken place, physical retail has always rebirthed itself and remained. What will reach the end of its life cycle are brick and mortar retail locations that refuse to integrate digital technology into their physical stores. As Peter Drucker, famous contributor to the philosophies and foundation of the modern

business corporation, said “The business enterprise has two –and only two- basic functions: marketing and innovation (Bines and Bassuk, 2018.)

“Therefore, the second area of integration in the Clicks and Mortar plan is to provide a complete customer experience by reimagining in-store interaction in a way that seamlessly integrates digital technology into the physical store and provides customers with an experience every time they enter the rural clothing boutique.

As stated, physical retail is not going away. In fact, shopping in physical stores still comprises ninety-one percent of all retail purchases, and many online retailers are taking notice (USDC, 2019.) In recent years, many “online only” retailers have started opening physical retail locations in strategic areas. Even though these previously “online only” retailers are not rural boutique retailers, making note of their move to physical locations is important to this research because it shows that customers at a large scale still crave a personal interaction with products. These larger companies would not be investing in the brick and mortar model if it were becoming extinct. By examining their success, one can see there is a multitude of hope for brick and mortar retail that is blended with digital strategies.

A noteworthy example is Warby Parker. The brand’s original mission was simple: Do not overpay in a store for designer glasses. The company created innovative technology that allowed customers to see digitally how they would look in glasses and

order the desired pair directly to their house. As of 2018, that mission changed, and Warby Parker now has sixty-five physical retail locations, with plans to open more in 2019.

David Gilboa, founder of Warby Parker now calls their brand a “bricks and clicks” retailer. Nearly half of the company’s sales now come from physical locations, but Gilboa states, “about 75% of our customers that shop in-store have visited our website first” (Estes, 2017.)

Warby Parker is not an exception. Amazon and other previously “online only” retailers have also reaped the benefits of opening physical locations. Amazon reports a large increase in online sales in areas where the company has opened a physical location (Proposal, 2017.) Internal documents from the company report that Amazon plans to open 2,000 more fresh-branded grocery stores across the United States, further proving the need for physical and digital integration (Kim, 2016.)

Though none of these new locations will open in rural areas, Amazon and Warby Parker’s stories are pertinent to this research because it disproves retail predictions that brick and mortar retail is a concept of the past. These companies are not simply opening brick and mortar locations. They are finding ways to tie the digital and physical experience together into one seamless strategy, proving that physical retail is not dead

when done properly. In an interview with PBS news, Gilboa stated, “I think it is a requirement to have physical stores and to have a great online presence (Proposal, 2017.)

This is important because many rural boutique retailers feel that their in-store sales and their online sales are two separate entities and operate them as such (Carrol et al, 2019.) However, Citi Research Analysts tracking the changes in retail predict that in five years, there will be no argument regarding the merit of ecommerce or brick and mortar retailers because, “They will all be the same”(Thompson, 2017.)

In keeping with this theory and area of integration two, rural boutique retailers need to redevelop their stores to include more than attractive clothing because customers require more if they are going to shop in-store more than once. Customers are coming back to brick and mortar retail locations that offer them an experience, activity, or ambiance (Bahler, 2019.) Andrew Chamberlain, chief economist at Glassdoor economic research states, “People are still going into the brick-and-mortar stores that feel good to be in” (Bahler, 2019.)

Rural retail boutiques can be that location that feels good to be in, that physical store that provides customers with an experience by making small changes to their physical stores. Experts are calling this need for an experience as well as a product when shopping in-store “shoppertainment.” This trend is millennial-led and arose from the vast

amount of technology available to consumers (Thomson, 2018.) Large brands such as Sephora, Nike, Adidas, and REI are already implementing shoppertainment tools.

Sephora offers customers free makeovers by professional artists that allow them to try different products before purchasing, as well as receive instruction on how to use the product. Nike and Adidas have recently unveiled large immersive experiences such as work out facilities, basketball courts, and even soccer practice facilities for local recreational teams in some of their larger locations. Further, outdoor recreation company REI has outfitted stores with rock-climbing walls and has added mobile offerings like hiking-trail apps and instructional videos for the gear it sells (Bahler, 2019.) These examples are just a few of the many retailers that are proving the theory of shoppertainment. If rural retail boutiques want to thrive, they will have to implement a modified version of shoppertainment.

Because rural boutique retailers exist in small areas, providing a shoppertainment experience could potentially be much easier for rural boutiques than for large retailers. Companies in larger, more metropolitan areas have to create an experience for a larger floor plan, a much broader audience, and that is scalable across all stores. The size and scope of a rural boutique affords it much more freedom when creating an instore shopping experience.

The key is to understand the interests of the target audience and what drives them. Jim Haworth, former Walmart COO, said the shoppertainment idea, aims to get

consumers "off the couch to maybe make one more trip, or pick up another item, by creating an experience broader than their normal shopping patterns (Neff, 2016.)

Boutique retailers can easily and cheaply provide everyday shoppertainment to customers in many ways simply by being aware of the customer and providing an inviting atmosphere where customers can interact with each other, the products, and can learn more about themselves, such as how to style for their body type.

Some rural boutiques are already undertaking methods to provide "shoppertainment." Miss Priss Boutique offers monthly "Girls Night Out" events that encourage women to come into the store with their friends. Champagne and light snacks are served, and different discounts and prizes are given away. "We get some of our best sales during Girls Night," said owner Kim Moore. "The ladies love a chance to shop and socialize together, and we always make the discounts and prizes really interactive"(Moore, 2018.)

True Blue Boutique in Pontotoc, Mississippi, capitalizes on holidays and things happening within their community. The boutique uses its social media to tell customers that that they offer deep discounts during events ranging from the Super Bowl to President's Day (Warren, 2019.) Deep South Pout Boutique in Starkville, Mississippi, also makes use of social media to drive traffic into the store. Marketing Director Olivia Chatham posts about "frequent in-store exclusive promotions" to bring people into the store (Chatham, 2019.)

Miss Priss Boutique, Southern Charm Boutique and others use topics as simple as the weather to drive traffic into the store. “If it is a really hot day, I’ll post on my social media that any customer who comes in that day gets 10% off and a popsicle or water. I’ll also make a cute little sign and put it outside the shop doors. You would be surprised how many people will come in just for the water and end up purchasing something,” said Moore of Miss Priss Boutique. “It’s a fairly cheap way to bring people into the store.”

Aside from shoppertainment, rural boutique retailers can increase the in-store experience by bringing digital tools into the store. Many times, not all merchandise is on the floor readily available to customers. Having a tablet or device that customers can use to see the retailer’s other offerings increases the chance of making a sale, while also increasing the customer experience. Jo Carroll, owner of Flaunt Boutique in Carthage, uses Clover POS software for this reason. “I have all my inventory on there,” Carroll said. She believes easily being able to show customers what she has or is out of has increased the happiness of her customers and their willingness to come back to her store in the future (Carroll, 2019.)

True Blue Boutique of Pontotoc believes in the importance of the in store experience and works tirelessly to make visiting the boutique a superior experience. “We like to add our personal touch to everything. Studies show that if you can provide a service in your store, people will continue to come. That’s why experience is so so important,” said Warren. “I think that people still enjoy instant retail therapy and that

women like to see quality and try on their outfits and get help dressing their best(Warren, 2019.)

Finally, integrating digital methods into the checkout process can increase the in-store experience. Enabling a tablet or mobile device to be used as a register allows the cashier to untether herself from the register counter and interact with customers throughout the store (Nicasio, 2018.) Being able to process a purchase anywhere in the store not only provides the customer with a superior experience, it reduces wait times, which can derail a purchase (Gingles, 3018.)

Studies show that American shoppers will abandon a checkout line if they have to wait more than eight minutes to purchase their product. Further, the study found that over fifty percent of shoppers will not return to a store in which they had a long and unpleasant wait or expect to experience a long wait(Walker, 2018.) Therefore, enabling faster and more convenient methods of checkout uses digital technology to enhance the in-store experience and deepen brand loyalty.

Rural boutiques Miss Priss and Deep South Pout have seen increased ease of check out by implementing Ipads into their check out process. “It’s faster, easier, and it keeps the line moving,” said Moore of Miss Priss Boutique. Gypsy Rose Boutique has seen even greater success by implementing Ipads and using the Square Point of Sale Go software. This software allows the boutique to build customer profiles after a debit or

credit card is used, allowing the boutique to connect further with the customer. Gypsy Rose can use the software to send emails, texts, and updates to customers, which has increased their store loyalty and return rates. The boutique also uses the software to store the customer's form of payment for faster and easier check out in the future.

Using these methods, as well as others, are paramount to digitally integrating rural retail boutiques. As the customer experience is done well, buyers seamlessly transition between online and physical retail, falling deeper into the brand experience.

CHAPTER THREE

The aforementioned integration areas are critical for the continued success of rural boutique retail. However, no amount of digital tools brought into the store can increase the customer experience if those who are in the store daily are not completely on board with the mission of integration and the advancement of the rural retail boutique. Therefore, the third area of integration in the Click and Mortar method is to increase customer service by changing the standard role played by an employee and potentially increase salary.

Though many rural boutique owners work in their store, they cannot be there every time the store is open and must leave the boutique in the care of employees. Most employees of rural retail boutiques are young adult women who are between the ages of 16-22 (Chatham et al, 2019.) They work part time and know store policies regarding returns and things of that nature, but they do not have an advanced interest in the welfare of the boutique beyond their salary. “It’s hard to find someone to care enough about your business,” said Lauren Davis of Gypsy Rose Boutique. It’s almost impossible.” Other rural boutique owners agree with her sentiment. “It’s just hard to find people who will love your store like you do,” said Kim Moore of Miss Priss Boutique.

Employees are the front line of the rural retail boutique. They are the ones who interact with customers on a daily basis and are vital to the continuation of the boutique. It is no longer acceptable to have a minimum wage, seemingly apathetic person working in the rural retail boutique. Nor can employees simply be knowledgeable regarding store

policies and products. In today's retail environment, that is considered the bare minimum. Employees have to learn how to relate to shoppers (Nicasio, 2018.)

Kasey Lobaugh, Deloitte Consulting's Chief Retail Innovation Officer, believes advanced customer service is pivotal to digital integration. "It's the marriage of technology and human touch," he said. "Customers are returning to spaces where you can expect to find a person to help you navigate a complicated product space"(Lindsey, 2016.) Some rural boutiques already understand the immense value of customer service. "Our customer service has always been and will continue to be a top priority," says Chatham of Deep South Pout. "We pride ourselves in building relationships with our customers that drives people to shop with us."

Expert researcher Frederick Von Briel explains it best. "In this new situation [omni-channel retail], the importance of a one-to-one relationship between employee and customer is greater, because the customer serves as a medium between herself and the wider social network, which is maintained in the in-store environment"(Von Briel, 2018)

Employees are the embodiment of the boutique's brand and in-store experience. How they interact with the customer has the potential to greatly increase or greatly harm the brand in the eyes of the customer, who then uses the brand's other channels to relay her experience. For example, if a customer is not happy with the interaction she has with an employee, it could take the form of a poor review on social media, negative comments on the boutique's posts, etc. However, if a customer has a positive interaction with

employees, potential is created to deepen brand loyalty, receive a positive review, and extend the brand's reach on social media.

Therefore, the role played by in-store sales associates is much larger for a retailer introducing an omni-channel strategy. Many larger brands are combatting this by doing away with the low-paid "sales associate" position and replacing it with a "style guide" position. The style guide does not simply stand behind the register. She is constantly moving throughout the store, connecting with customers, and developing the boutique's brand.

Freelance writer and content manager Alexandra Sheehan writes about her experience with this new type of retail worker when she went with her friend to purchase a tuxedo. "Their entire relationship was forged on a transaction, a customer-brand interaction. But it was authentic," says Sheehan.

The style guide has to be able to relate to the customers in any way necessary as a friend, style expert, listener, problem solver, and anything else the customer needs out of the interaction. "Roles are changing," says Jane Greenthal, a senior design strategist focused on the retail industry at the design and consulting firm Gensler. "It's a different skill set. Employees aren't just there to stock merchandise; they're building relationships." A report by IBM agrees that the evolved retail worker is a necessity. In their "5 in 5" predictions, the company states, "Retail associates will become experts about every product in stores and place more emphasis on...the physical store shopping experience" (Murphy, 2013.)

This new embodiment of the retail worker is not simply asked to do more. She is incentivized to do such by receiving a higher salary. Time article writer Kristen Bahler said, “The retail worker of the future is cool, charismatic, and better paid”(Bahler, 2019.) This research is not suggesting removing current employees and hiring new highly evolved ones. In a rural boutique setting, this would be hard to accomplish as populations are lower, talent is limited, and the workforce is smaller. This research is suggesting that by providing training and increasing salary, current employees can become evolved retail workers.

By incentivizing workers with a better salary and an opportunity to connect with customers in a meaningful work experience, the customer, employee, and rural retail boutique are bettered. The customer feels special, which is the main goal of the boutique business model, and has an increased likelihood of making a purchase. The employee feels achievement and an enhanced sense of worth. The boutique not only makes a sale, but it also is given an attachment by the customer due to the positive experience. This cycle will continue with each individual customer and has the potential to greatly increase sales, customer happiness, and brand awareness.

Some rural boutique owners have implemented this concept already. At Miss Priss Boutique, owner Kim Moore has experimented with different hiring structures. In addition to her younger girls, Moore employs two middle aged women part-time, whom she pays higher salaries. “I don’t know if it’s the money difference or age, but they just seem to care more,” said Moore. She has also increased salaries for employees who show

increased sales and aptitude. “When they feel like they matter to me, I feel like my store matters to them,” said Moore.

Owner of True Blue Boutique, Karlyn Warren, also understands the importance of customer service to her store and believes it has contributed heavily to her success. “It’s [customer service] the most important thing about our store,” Warren said. “No one ever sits behind the register. We keep conversations going with our customer throughout their visit and tell them about fashion trends and help them find exactly what they’re looking for. I think that— above anything else we do— has kept our retail business alive in a world where once successful stores are closing every day”(Warren, 2019.)

“Implementation of seamless omnichannel strategies requires establishment of new incentive structures for sales associates that contribute to establishing an any-channel sales mindset,” said Research expert Frederick Von Briel. Customers cannot view the employee as a sales associate attempting to sell a product. She has to view the employee as an aid there for her benefit. Ashley Alderson, owner of Boutique Hub, a website that connects boutiques with powerful information about the industry and customers to boutiques fitting their style, believes changing the role played by employees is pivotal to the in store experience and a seamless Omni channel strategy (Alderson, 2018.)

“Boutiques are successful because they’re more than just stores: They’re style educators. Many consumers don’t have the time or know-how to style themselves”, said Alderson. “Fashion is fickle, and they’re scared to try a new trend — until boutiques

show them how. They walk in the store to be inspired, and to feel good about themselves in their clothes”(Alderson, 2018)

Alderson and many other experts, including the CEO of MatchesFashion.com Ulric Jerome, of the industry believe employees and the relationship created through in-store interaction is what keeps boutique retail going. “I love Amazon. I just had a baby so I use it a lot. They’re a great company, but luxury requires a different kind of treatment,” said Jerome. “It takes one-to-one relationships, and you can’t do that at that massive scale”(La Torre, 2018.)

The argument posed against this third concept of the Clicks and Mortar method is twofold: cost and time. Many boutiques in rural areas have very tight profit margins and believe they cannot offer higher salaries without damaging the success of the boutique. This research understands that increasing salary is a front-ended commitment taken on the part of the boutique owner before any extra value-added is realized.

However, if employees are asked to be more actively involved with the welfare of each customer and evolve from the role of simple sales person, the effort needs to be monetarily realized by the rural owner. Research shows that asking employees to become more invested while failing to increase salaries has the potential to create discord within employees, increase apathy, and decrease the effectiveness of the in store experience, nullifying any investment made by the rural boutique owner to better the in store experience (Cao et al, 2015.) . Rural boutique owners can implement this third area of the Clicks and Mortar method while also shielding themselves from potential fall out by

increasing salaries slowly over a period of time, based on how well each employee responds to the new demands of her position.

The other argument against this phase of the Clicks and Mortar method is time. This research understands that in the boutique world, time is a currency, and providing adequate training to properly use the integrated digital tools and to be an evolved retail worker would take away from the boutique's normal activities. Further, due to the small nature of a rural retail boutique, owners have an increased personal connection with employees, making it hard to admonish an employee who resists integration, forcing owners into a predicament.

The Clicks and Mortar method recognizes the role personal connections of employees and employers play in the boutique model, particularly in a small rural area. The line between employer and friend is frequently blurred in a rural setting. While it acknowledges and is sensitive to this, the Click and Mortar method does not put the relationship over the continuance of the boutique. Employees will respond differently to training in new technologies and increased responsibility within the position, but the focus must remain on integration and increased profitability of the boutique (Piotrowicz, 2019).

Though empirical studies regarding the success of the evolved retail worker are in their infancy, those currently available do agree that the monetary benefit of increasing salaries and giving training outweighs the extra expense to the boutique (Verhoef, 2009.) The benefits will not be instantaneous, and require front-ended commitment of the owner.

However, over time with the full cycle of the Clicks and Mortar method of integration, the benefits will be extremely visible and outweigh the front-ended commitment they require.

Old and new customers are drawn to the physical location by the boutique's use of social media and online advertising. Once in the store, the experience of the store and the interaction with the evolved retail worker make a deeper connection with customers, causing them to purchase and become repeat customers. Slowly but steadily the process unfolds, and the expense of increased salaries is cushioned by increased profits.

Therefore, if done correctly this method of integration in the Click and Mortar method is a potential viable way to increase sales online and instore.

CHAPTER FOUR

The final area of integration in the Click and Mortar method centers around a major theme of omni-channel strategies, convenience. Customers in today's society want instant gratification and ease with every purchase. The Nielsen company states, "In today's world, convenience is the ultimate currency"(Nielsen, 2018.) This is why services like Amazon prime shipping, grocery pick up, and click and collect methods are appearing in businesses at a rapid speed. Therefore, the more convenient the rural retail boutique can appear in the eyes of consumers, the greater the potential for increased profit.

Flaunt boutique, Miss Priss, Gypsy Rose, and True Blue Boutique all have implemented click and collect methods by which customers can order their item online or through social media and pick up the item at the store. These rural boutiques are also already using flat rate shipping, free shipping over a certain price, and short shipping times to compete with larger retailers on convenience. "We do free shipping on orders over \$100," says Lauren Davis of Gypsy Rose Boutique. "And we always ship within 24 hours of purchase."

It is important to note that convenience is not a completely separate facet of the Click and Mortar method because the first three areas of integration each provides convenience to the customer in a unique way. Integration area one provides convenience by allowing customers to shop through social media and other online avenues provides and not have to be in the physical store to make a purchase. Integration area two provides

convenience as it allows customers to have an engaging in store experience while also finding, interacting with, and purchasing items faster. Integration area three provides convenience by placing the burden of knowing exactly what the customer needs onto the evolved retail worker.

Rural boutique retailers are beginning to understand the importance of convenience, and some have already integrated ways in which to be more convenient to customers into their stores. Even though click and collect and faster shipping does make shopping with the rural retailer more convenient for customers, there are still areas in which rural retail boutiques can become more convenient. Many online retailers offer completely free shipping. This is something that most boutiques believe they cannot do because of the extreme loss of profit it would cause. Even large companies such as Amazon frequently take losses to provide fast and free shipping (Semuels, 2018.)

Though free shipping on every order is not a viable option for rural retail boutiques, an even more convenience yielding practice is: same day delivery. Some rural boutiques have delivered items on rare occasion, but delivery as an everyday method of receiving items has not become popular with rural retail boutiques. Though this seems expensive and a potential loss of revenue, delivery is actually a much more feasible concept than it appears.

Rural boutique retailers exist in small geographic areas, thereby making the pool of customers who shop instore from a much narrower radius than that of a boutique in a metropolitan area (McCray, 2019.) Becky McCray, small town business survival

strategist and author of numerous books regarding small town survival, agrees that delivery is a viable option for rural boutique retailers. “Any store could provide quick local deliveries,” McCray said. Not only do experts agree on the viability of this convenience service, small town residents want it. This research interviewed twenty citizens from rural towns of the Mississippi Delta and Neshoba County ranging in size from 5,000 citizens to 500. Participants were male and female and ranged in age from 21-65. They were asked if they would pay up to five dollars for boutique delivery services. 80% of participants stated they would pay the convenience fee to have clothing purchases delivered to their homes.

The sample surveyed is small, and the results should not be viewed as definitive proof that delivery services would work in every rural boutique in Mississippi. However, the results do convey that at least some percentage of rural citizens would take advantage of delivery services, and the concept of same day delivery with a convenience fee is not completely irrelevant to rural areas of Mississippi.

Retailers are competing in a space that demands they adapt new methods or atrophy, and same day delivery would be a way to remain current and provide an extreme convenience to customers. It could also be an effective marketing tool offline if the delivery vehicle had advertisements for the boutique on it, and online as different promotions could draw more attention to the service and the boutique.

While potentially profitable, same day delivery as a means of convenience requires many rules, regulations, and prior investment on the part of the boutique owner.

The rural retail boutique would need to introduce rules and regulations to govern the delivery service to ascertain that it did not become a drain on the boutique's profit. To remain profitable, deliveries would have to be performed only once per business day, stop taking delivery orders at a certain point in the day, and within a set radius of the store of no more than ten miles. This distance is chosen because it makes for a twenty mile delivery diameter around the store. If the distance was any greater, the time necessary to make all deliveries, compiled with fuel prices, liability, and depreciation of delivery vehicle would outweigh the potential benefit.

Holding fuel prices constant at under three dollars and expecting that the car used receives an average of twenty miles per gallon, a delivery convenience fee between two and three dollars would be sufficient to cover fuel to make any delivery within the ten-mile radius. Adding the cost of liability insurance and depreciation, the rural boutique would need to charge between four and five dollars for delivery services to be profitable.

Because delivery in a rural retail boutique setting is a new concept, it is important to note that there are no statistics pertaining to its success or failure. However, there is plenty of evidence regarding delivery services that are not specifically for clothing showing profit. In Montana, the app MyHomeTown allows citizens of rural areas to connect with drivers and have a myriad of items from furniture to groceries delivered (O'Dell, 2017.) Prime Now, which does not deliver to many rural areas, Uber Eats, and many other delivery services are showing profits, proving true the studies that show that customers are willing to pay more for convenience (RetailWeek, 2019.)

What is also of interest to the rural boutique retailer is a new tax deduction. As of 2018, businesses can deduct 54.5 cents per mile of business travel (IRS, 2018.) This could be a large incentive for small rural businesses and provides another advantage to adding delivery services.

Using this knowledge and the anecdotal evidence provided by the study of rural citizens conducted by this research, charging a delivery convenience fee of five dollars would bode well with a customer base and has a potential for the rural retailer to make up to two dollars of extra revenue per delivery on shorter delivery distances. Though this does not seem like a very large amount, it could help offset the added cost of increasing employee salaries as an incentive to be an evolved retail worker.

IBM's "5 in5" list of predictions states the important of adding delivery services stating in five years, "Two-day shipping will feel like snail-mail["(Murphy, 2013.) Implementing this method of convenience is not only a necessity for remaining relevant, but it would fit perfectly into the cyclical nature of the Clicks and Mortar method. As the rural retail boutique implements and maintains a website and social media accounts, studies suggest more purchases would be made online. Anecdotal evidence suggest that a portion of these purchases would use the same day delivery feature. As the feature is used, it could potentially create extra revenue, helping to offset the increased salary of the employees who are asked to perform the duties of the evolved retail worker. This would in turn directly affect the in store experience of customers as they interact with employees, which has the potential to increase revenue in the physical store.

It is also important to note that even though rural boutique retailers do lose revenue to Amazon and other online retailers, in their opinion, it is not necessarily always because of convenience. Many rural boutique owners feel they have a competitive advantage in the category of convenience, believing they fulfill the instant gratification component of convenience (Richter, 2018.) If customers want an item, they want it now,” said Lauren Davis of Gypsy Rose boutique. “Being in a small town, customers like to be able to shop here rather than having to drive to Jackson or Meridian for items. I feel I am convenient for our small town so that people can just run in and out for gifts or a special item.”

A study performed by the Pew Research lends clout to this idea. According to their research, 34% of those studied found buying from someone local to be extremely important and convenient to the shopping process, while another 50% found it somewhat important and convenient. Another survey conducted by Deloitte consulting agency stated 42% of Americans shop local because of convenience (Deloitte, 2019.) If a large percentage of shoppers feel that shopping local is convenient, what is causing customers to shop online anyway? The answer is price.

Price is currently one of the largest factors for customers when making a purchase(Statista, 2019.) Online shopping and fast fashion has become cheaper than physical stores in many instances. This is the main reason that people have believed that brick and mortar boutique retail is dying. However, as seen through the statistical

evidence presented in this research, brick and mortar retail is not dead. What is dead is mediocre boutique retail.

Boutique prices will remain higher than that of department and online stores, and for good reason. “A lot of customers do not understand why boutique prices are higher, but it’s because our wholesale prices are higher as well,” says Davis of Gypsy Rose Boutique. “Quality is key,” said Warren of True Blue Boutique. “We do our best to purchase domestically made clothing, and of course the price for US clothing will always be more expensive. Anyone can go to H&M and buy a \$20 top, but it will only last that season. I touch every garment before it ever makes it to the store to make sure to deliver the best quality.”

Further, studies show that as boutiques integrate and offer a better and more convenient experience instore and online, price will decrease in matter of importance as customers feel what they receive is worth more than just a garment (Kruh, 2018.). According to the ‘Customers 2020 study by Walker, a customer intelligence consulting firm: “Customer experience will overtake price and product as the key brand differentiator by the year 2020.” KPMG also agrees with this sentiment stating, “The commercial battleground is no longer just price” (Kruh, 2018.)

CONCLUSION

Ecommerce and other online retail outlets exploded onto the retail scene causing many scholars to believe the “Retail Apocalypse” loomed over the industry. Predictions were exponentially bleak in rural communities as smaller stores could not combat the better prices and convenience of online retail. However, experts are now realizing that online retail cannot provide the hands on experience and instant gratification of purchasing items at a brick and mortar retailer.

Specifically with respect to the boutique clothing industry, brick and mortar retail is not dying, it simply needs to undergo a phase of rebirth and renewal. To remain relevant in this new digital age of retail, boutique owners must realize that brick and mortar sales are only half of the equation. Customers are now choosing to interact with retailers online and in-store, requiring retailers to create a seamless transition between platforms, known as omni-channel retail.

Omni-channel retail strategies prior to this research focused on larger companies, businesses in metropolitan areas, or only on one part of the puzzle. The Clicks and Mortar method presented in this research is tailored specifically to understand and meet the needs of boutique retailers in rural areas, such as those that cover 91% of the state of Mississippi.

Small businesses are often the linchpins of a community. They sponsor softball teams, charity auctions, and many other community activities. While online retailers may offer a tiny amount of donation to a cause, independent retailers often the major

supporters of causes local to the community (McCray, 2019.) As ecommerce leaves these businesses in poor circumstances, the vitality of the community begins to fade.

By following the four steps of the Clicks and Mortar method of integrating digital and traditional methods of selling into one unique brand experience, rural boutique retailers can reverse this downward trend and increase profits, expand markets via online channels, and most central to the boutique model, sustain.

“While there is a retail apocalypse among big box stores, there are many boutiques growing daily because of their unique ability to serve their customer with the speed, personalization and service they are looking for,” says Albertson of Boutique Hub. As profits increase, money is kept in the local economy, helping to stave off the economic backslide experienced by the rural areas in which these boutiques exist. Further, as these stores profit, they can be the blueprint for many forms of business to relocate back to small towns, lessening the economic gap even more.

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Appendix A

Questions asked in personal interviews with boutique owners

1. How important do you think integrating digital methods is to small boutique retail? (website, social media, etc.)
2. Have you implemented any digital tools in the store (Ibads for check out, ability to scan the website from the store, etc.)
3. How important do you think customer service is to boutique retail?
4. How important do you think convenience is and what methods have you tried to be more convenient for customers (free shipping, delivery, website, etc.)
5. Is your business strategy to reach citizens of your county only, or do you hope to expand to a broader audience?
6. I did some research and saw that you do not have a website, but you do have social media. Do you sell through your social media accounts or any other methods besides instore retail? I
7. Would you ever make a website? Why, or why not?
8. Traditionally, boutique retail is more expensive than other retailers because of the product quality and experience customers receive. What role do you think price plays in boutique retail? How does your business, in particular, justify higher prices to customers when price is one of the largest purchasing deciding factors?
9. As the owner of a successful boutique, is there anything else you feel is important for me to know?
10. In the future, do you think more small businesses will have to integrate digital methods to stay profitable?
11. What percentage of your sales are in store; what percentage is online?
12. What do you believe brings people into your store and back to your store for repeat purchases?

13. I did some research and saw that you do not have a website, but you do invoices/shipping through facebook. How does that business model work, and how beneficial has it been to your company? Do you sell through any other channels?

14. Do you have separate employees for instore and social media sales?

15. Studies show that customers want an engaged retail worker, not just a cashier if they shop instore. How important do you think customer service is to retaining customers in boutique retail?

16. In a world of instant gratification and Amazon prime, how important do you think convenience is, and what methods have you tried to be more convenient for customers? (free shipping, delivery, website, etc)

17. I did some research and saw that you have a website through Shoptiques. Could you explain how that is different from a stand-alone website and the benefits of using it? Also, do you sell through social media or any other channels?

(18-21 specifically for Deep South Pout in Starkville, MS)

18. With e-commerce gaining popularity, how do you keep people coming into the physical location?

19. What is the divide of business that comes to the store through digital channels and through the actual store?

20. DSP has done a phenomenal job of integrating online and in-store methods. Do you believe that digital integration is necessary, or can small businesses survive if they do not digitally integrate? (Digital integration=Create engaging social media posts, maintain a website, and bring digital touch points into the in-store experience)

21. Is there anything else you feel I need to know about boutiques capitalizing on digital marketing and e-commerce?

Appendix B

Determination of towns for personal interviews with rural citizens.

The Mississippi Delta is by far the poorest and most rural region of the state. Personal interviews with boutique owners were focused primarily in central and Northeast Mississippi. Therefore, to maintain a balanced opinion throughout the whole state, the Northwest or “Delta” area was the primary target for personal interviews with rural residents. This research also conducted interviews in East Mississippi as it also had low representation in the boutique owner interviews. The towns in which citizens interviewed reside are in Neshoba and Coahoma county.

Residents were asked one question. The question is as follows:

“Would you be willing to pay up to \$5 as a delivery fee for clothing stores in your area to deliver clothing you bought via social media or online?”

APPENDIX C

Choosing Which Boutiques to Interview

To determine which boutiques to interview, this research used a list of rural towns throughout Mississippi. For the most accurate representation, five boutiques were chosen from the North, South, East, and West of Mississippi. Six boutiques responded that they were willing to be interviewed. Below is a graphic showing geographical location of each boutique interviewed.