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WHOLESALE TRADE PROSPECTS IN THE NEW
MILLENNIUM (A STUDY OF SELECTED
WHOLESALE OUTLET IN DAMATURU AND
FOTISKUN), YOBE STATE.

BY

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200/ND/BS/023

DEPARTMENT OF BUSINESS AND
MANAGEMENT STUDIES
THE FEDERAL POLYTECHNIC, DAMATURU,

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**WHOLESALE TRADE: PROSPECTS IN THE NEW MILLENIUM
(A CASE STUDY OF SELECTED WHOLESALING OUTLETS IN
DAMATURU AND POTISKUM) - YOBE STATE.**

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WHOLESALE TRADE PROSPECTS IN THE NEW MILLENIUM
A CASE STUDY OF SELECTED WHOLESALING OUTLET IN
DAMA (URU AND POTISKUM), YOBE STATE.

APPROVED BY

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ABSTRACT

This project work intends to look into the importance of wholesale trade as a dynamic tool in a wholesale trade with special reference to wholesaling outlet within Damaturu and Potiskum, Yobe State.

This is designed to be of intend and to provide a frame work of interest and to provide a frame work of knowledge which will assess the existence of wholesale trade in an organization.

It is important to state that wholesale trade have effective and efficient use in an organization.

Therefore, this project comprises of Five Chapters, the first chapter is the introductory chapter which contain an introduction statement of problem, research question, purpose of the study, significance of the study, the scope and limitation of the study and definition of terms.

The second chapter deals with literature review, as regard to wholesale service, factors and basis problems face by wholesaler in distribution of goods and services.

Third chapter deals with research methodology, method of data collection, development of questionnaire, research population and sample selected.

The forth chapter is the analysis of responses to research question

The last chapter is concerned with summary, conclusion and recommendation.

DEDICATION

This project is dedicated to my late sister Hafsat Ahmed (may her soul rest in perfect peace (Amin summa Amin)), also to my little baby Ashraf, his mummy, (Auntie Maryam), my beloved parents, my adorable brothers and desirable sisters, who always make me happy and all well wishers.

More so, I am grateful to my cousins' brothers, like Abdul Mannanu (Ya Adamu).

Finally, my whole-hearted thanks goes to my sister and her husband miss Maryam Mohammed again for Mr. Mohammed Agavi for their concerned and tireless 'understanding.'

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CHAPTER ONE

1.0 INTRODUCTION:-

This project is aimed at clear and practical look at the prospects encountered by the wholesalers.

The scope of reference is the same selected wholesaling outlets in Damaturu and Potiskum, Yobe State.

Trade generally evolved as a result of people exchanging goods for goods and service for services which is known as the "Barter" system of trade. Nowadays, money is the most commonly used medium for exchange of goods and services.

Trade will only be possible when there are goods or articles manufactured or raw materials to turn into finished goods in very large quantities from their factories. The manufacturers specified in production of goods and services, they need people who will buy their products. It is where the wholesalers come in.

A wholesaler is a trader who buys goods in large quantities from the manufacturer and resells to the retailers in smaller quantities. The function of the wholesaler can either be performed by a person or a firm.

The wholesaler is called a middleman because he is the connection between the manufacturers and the retailers, he buys goods in large quantities from the manufacturers and sells them in smaller quantities to the ultimate consumers.

1.1 STATEMENT OF THE PROBLEM

Every business outlet is expected to bring in a trickling profit on a continuous basis for the investors. However, certain factors usually impinge on this. Such factors include engaging in unprofitable lines of business, hence low profit yields. Could this be the problem of wholesaling in Yobe State, hence hindering expected business expansion? This is the focus of this study.

1.2 RESEARCH QUESTION

1. Do wholesalers engage in lucrative/profitable business lines, which do not need to be later dropped?
2. Are wholesaling ventures profit oriented as that are self sustaining for the business?
3. Are wholesaling ventures profit oriented as to create room for expansion?
4. Do wholesalers extend credit facilities to customers to encourage repeat purchase hence continued patronage?

1.3 PURPOSE OF THE STUDY

This research is aimed at:

1. Pointing out the wholesaler's expectations.
2. Giving plausible suggestions for improved performance of the wholesaling function for maintenance/continuity of his expectation.

1.4 SIGNIFICANCE OF THE STUDY

The significance of the study is to help in creating awareness of the problems faced in the wholesale trade. And to find a possible solution to this problem(s), so those future wholesalers would benefit and know how to tackle such problem(s)

This study will also serve as a reference material for future research on this or related topics.

1.5 THE SCOPE OF THE STUDY

This study is restricted to selected wholesale stores in Damaturu and Potiskum towns of Yobe State.

THE LIMITATIONS OF THE STUDY

The reasons for limiting the area of coverage include:

1. **TIME CONSTRAINT:** - Time was one of limiting factors towards proper completion of this research work. For instance the school was still in session. It was not easy coping with the course work as well as the research work.
2. **FINANCE CONSTRAINT:** - Another limiting factor encountered was inadequate finance to expand the study scope to other locations in Yobe state.

1.6 DEFINATION OF TERMS

BULK BREAKING – Is the breaking down of goods by the wholesaler for the retailers to buy from.

WHOLESALE – A person who buys goods in large quantities from manufacturers and sell it to the retailers in smaller quantities.

RETAILER – A person who buys in smaller quantities and sell to consumers in smaller quantities.

PURCHASE – Simply means the buying of goods or services.

DISTRIBUTION – Is the despatching of goods to various places.

CHAPTER TWO

2.0 LITERATURE REVIEW

INTRODUCTION

This chapter examines various authors' perspectives on wholesale trade. Areas to be reviewed include the following: Wholesale services, factors affecting the use of wholesale service in the distribution of goods and services, functions of wholesaler, the problem of distribution of goods by the wholesaler and lastly the cause of failure of wholesale trade in distribution of goods and services.

WHOLESALE TRADE DEFINED

White head, G. (1988) defined wholesaler as a person who buys in very large quantities and sell in bulk to retailers performing the intermediate functions of warehousing and transportation.

The above definition reveals the wholesaler as a major intermediary between production and consumption. He helps greatly in having an efficient and effective production and distribution system.

In like manner, Nwankwo G. O. and Jones B. P. (1981) defined wholesale trade, as a connecting link in the channel of distribution and production. The researchers view of this definition is that the wholesaler is the link that connects both the manufacturer and the retailer. That is, without wholesaler in the system, there will be clogs in the effective production and distribution of goods and services.

Similarly Thomas, S. E. (1979) defined a wholesaler as the person that purchase goods in large quantity from the manufacturers and resell them in smaller quantities to the retailers. The term wholesaler can neither be a retailer but act merely as the link between the two.

Furthermore, Anderson D. (1980) defined wholesaler as a link in the chain of production and distribution between the manufacturers and the retailers, they deal with bulk quantities or "whole" and do not sell to individual customers.

All these definitions give us a pictorial view of the wholesaler as a link between the manufacturer and the retailer rather than the final consumer. However, today the wholesalers often sell to final consumers who are willing and able to buy wholes.

2.1 WHOLESALE SERVICE IN THE DISTRIBUTION OF GOODS AND SERVICES:

The wholesalers buy goods from the manufacturer and he sells them to retail out lets in the process, he may provide a variety of services on behalf of the producer or the customer.

What service do wholesalers perform? According to Powell R. (1989) much depends on the product concerned. In the vegetable canning industry, the wholesaler is the key figure in distribution because he grades, stores, advertises and delivers the food to the retailer. Wholesaler in extensive set of operations. In the distribution of automobiles, on the other hand, these are actually wholesale

functions. The retailer directly from the manufacturer, and the manufacturer arranges transportation and finance. There are no middlemen.

Akin T. A. (1980) identified similar services performed by wholesalers in the distribution of goods and services. The wholesaler usually finds a market for. This function is usually important to the manufacturers because he does not always wish to undertake the distribution of his products, instead, he prefers to dispose of them in large quantities as produced, and concentrate (specialise) on manufacturing. The Importance of this service to the manufacturer is further strengthened by the fact that the cost of transportation (from the factories to the individual regarded may be to high if the wholesaler is by- passed.

Another service according to Akin, which is usually rendered by the wholesaler to the manufacturer, is that he affords him the opportunity of producing on a large scale. By holding the products in his warehouse, the wholesaler helps the manufacturer to keep his factory space clear for further production. In other words, the wholesaler usually relieves the manufacturer of the problems of holding large stocks of his products.

2.2 THE FACTORS AFFECTING THE WHOLESALE SERVICE

According to Thomas S. E. (1979). Small producers can seldom engage very extensively in the distribution process. If only because of the costs involved. They usually employ the service of a wholesaler. Millenary and garment makers, novelty and toy makers and plumbing supply producers may band together to create a distributing organisation.

Large producers may choose to market their own facilities. Many times, this is prompted by their desired to maintain control over each step in the distribution process or simply because by eliminating the middlemen their costs are reduced.

Products of exceptional quality or reputation are often distributed or promoted by their producers. These products often are identified by a well-known trademark or registered name.

Location is another prominent factor that affects the effectiveness of the wholesale service. According to Akin T. A. (1980), Sometimes the relative locations of the producers and their customers influence the way in which distribution is handled. Large customers who are centrally located and easily reached may be serviced directly by the manufacturer.

2.3 THE FUNCTION OF WHOLESALERS TOWARDS THE DISTRIBUTION OF GOODS AND SERVICES

In Yobe State there are many industries producing different brands of goods or commodities for the numerous customers. These goods are traditionally distributed through different channels before reaching the final consumer.

The key points in the chain of distribution in modern times are:- The producers, the wholesalers, the retailers and the final consumers.

Wholesalers were merely dismissed as an unnecessary duplicate in the process of distribution however due to his continued and sustained functions over the years, the writer believes the wholesalers deserve a rightful place in

the chain of distribution. If he is a "middle man" in our time, he is a functional one and not a notorious middleman as some people will like to believe. According to Taiwo K. P. (1989) the position of wholesaler in the market does not add so much to the cost of distribution. The retailer buys in large quantities and sells in small unit to the final consumers.

For the purpose of analysis Taiwo identified his main functions as follows:

- i. He buys in large quantities.
- ii. He helps the producer to warehouse his stock.
- iii. He is an expert buyer and seller.
- iv. He finances both the producers and the retailer.
- v. He markets the product.
- vi. He prepares commodities for sale.
- vii. He arranges imports from abroad.
- viii. He assists the producer in maintenance of commodities.

He advises both producers and retailers. Similar functions of wholesalers towards the distribution of goods and services.

Identified by Nwankwo G. O. and Jones R. B. (1981) are:

- i. Selling and promoting:- They produce a sellers force enabling manufacturers/producers to reach small retailers and consumers/users at a relatively low cost. The wholesaler has more contacts and is often more trusted by the buyer than the distant manufacturers. In fact, the wholesaler

makes the goods available and promotes to through advertising/sales promotion.

- ii. **Buying:-** They act as purchasing agents for customers. They anticipate customer's needs and have good knowledge of market and source of supply. They enable customers to deal with only a few sales people rather than representatives of many producers.
- iii. **Bulk Breaking:-** Wholesalers achieve this by buying in bulk and larger quantities and break into bits to suit the buyers requirements.
- iv. **Transportation :-** They provide quick, frequent delivery to customers, thus reducing there risks and investment. In inventory they also help in moving the goods from the place of produce to where the customers can get them.
- v. **Warehousing -** provides the service to both customers and suppliers by reducing inventory risk s and cost. They carry out warehouse activities more efficiently than any single customer or producer.
- vi. **Financing:-** wholesalers financing their customers by granting them credit and they can also finance their suppliers/ manufacturers by ordering early and paying their bills on time.
- vii. **Risk bearing: -** Wholesalers absorb some risks by taking title and bearing the cost of theft, damages, spoilage and obsolesce.

- viii. Inlet information:- They supply information to their suppliers and customers regarding competitors activities, new products, price development, special sales by producers etc.
- ix. Management service and advice: - They often help retailers improve their operations by training their sales clerks, helping with store layout and displays, accounting and inventory control.

From the authors' view, we discover that the place of the wholesaler in the production and distribution of goods cannot be over emphasised.

2.4 THE BASIC PROBLEMS FACED BY WHOLESALERS IN DISTRIBUTION OF GOODS AND SERVICES.

From the author's views, we discover that the place of the wholesaler in the production and distribution of goods cannot be overemphasised.

According to Anyaale U. J. (1993), the basic problems faced by the wholesaler in the distribution of goods and services are as follows:-

1. POOR TRANSPORTATION :- Due to the fact that transportation is the major contributing factor to be considered in the success and failure of wholesale trade, most of the rural areas and villages, do not have good road, therefore this makes it difficult for the middle man to carry their goods into such places whereby this becomes a great problem.

2. INADEQUATE STORAGE FACILITIES:- Warehouse is very important to the wholesaler, therefore lack of such in the system will cause a great problem.

Inadequate has made many rotten before they are distributed and marketed, or sometimes the goods or commodities get damaged and they could not be distributed since they are spoiled.

3. INADEQUATE INFORMATION: - The producers, sellers and buyers do not get enough or adequate information concerning their goods and effective communication between the consumers and retailers to wholesalers whereby it has become a problem.

4. ABSENCE OF LARGE MARKET: -Lack of large market in the area cause problem to the wholesalers, especially in rural areas where these are no large gathering places where buying and selling of commodities can take place and where their demands if goods is very low. Most of the markets located in villages are very small and they contain very small population thereby causing a problem.

5. TOO MANY MIDDLEMEN - Too many middlemen cause a lot if problem in the distribution and marketing of product or communication in that they also cause the price of the commodities to rise very high and make it difficult for the ultimate consumers to have required commodities for their daily needs and consumption.

6. INADEQUATE CREDIT FACILITIES: - Due to lack of capital, the wholesale could not grant enough credit facilities to their customers and manufacturers thereby could not give enough credit facilities to the wholesalers, whereby it cause a great problem to the distribution channels.

7. PRICE CONTROL SYSTEM: - When prices of goods are normally fixed without considering what it cost to produce these commodities will soon disappear from the market.

8. NATURE OF SOME COMMODITIES: - Some of the commodities are perishable in nature and therefore it is very difficult to distribute and market in west Africa as a result of lack of efficient means of transporting the goods to where they are needed by customers

Other basic problems faced by wholesalers in distribution of goods and services according to whitehead G. (1998) stems from the characteristics of channel members as follows: -

i. Customer characteristics: - Producers are greatly influenced by customers characteristics i.e. when the number of customers is large, producers tend to base long channels with many middlemen and the number of buyers is modified by the degree of geographical dispersion. It is always less expensive to sell directly to customers who are concentrated in few geographical centres than to sell to customers scattered in so many location. The purchasing pattern and the buyer's susceptibilities to different selling methods, also influence the producers channel design.

ii. Product characteristics: - product characteristics also influence channel design as perishable products requires more direct marketing than bulk goods in relations to the dangers associated with delays I repeated handling and value respectively.

iii. Middleman characteristics:- channel design must take into account the strengths and weakness of different type of intermediates in handling various tasks., e.g. manufacturers, are able to contact customers at relatively low cost for customers because the total cost is less intensive than if company's sales representatives were doing the selling.

iv. Competitive characteristics: - channel design is also influenced by the channels that competitors use. The producers in some industries want their product to compete in or near the same outlet carrying the competitor's products. The marketing channels used by competitors sometimes define what the producer wants to avoid rather than imitate.

v. Company characteristics: - company characteristics play an important role in channel selection. The company's overall size determines the extent of its market size of its accent and its ability to secure the co-operation of intermediaries. Its financial resources, product mix, past channel experience and current marketing policies all determine the channel selection.

vi. Environmental characteristics: - Channel design is further influenced by environmental factors. Economic conditions during depression needs marketing in the most economical way through shorter channels. Legal regulations and restrictions also contribute one way or the other in channel selection.

2.5. THE CAUSES OF FAILURE OF WHOLESALE TRADE:- According to ANYOWURU O. (1979). The causes of failure of wholesale trade are:

1. **WRONG PURCHASE:** - Goods bought in this case may not relate to the demand of consumers, in order to avoid spending great care should be taken to check the price of goods in the market.
2. **LACK OF EXPERIENCE:** Due to lack of experience in the field of business, many wholesalers do not know how to go about their business. And they do not know what to consider before they set up the business.
3. **OVER SPENDING:** - Most of traders spend more money not minding the state of their business, whereby they spend more than what they earn as their income and this leads to the ends of their business.
4. **AVOIDING INSURANCE:-**

Most of the traders don't insure their goods until the insurance company, i.e. they always avoid insuring their product against burglary or theft. And in this case when any of these things happened they lose totally because they can't get compensation from any insurance.

The cause of failure of wholesale trade, identified by Taiwo K. P. (1989) include:

1. **LACK OF FORE-SIGHT:** - The degree of success in any business depends upon the ability the trader has to see ahead or beyond the present, that is the trader should be able to focus what business opportunities are likely to be in the nearest future.
2. **CREDIT FACILITIES:** - When the wholesalers give out a credit without taking steps to safeguard their business, interest and by this capital is tied

down which does not enhance their business promotion it will lead to the failure of the business.

3. **LACK OF BOOKS OF ACCOUNT:** - Due to the fact that many wholesalers don't count, it is necessary to open book of accounts concerning their business and so they don't know whether they are operating at a profit or loss. They are just running their business with common knowledge of buying and selling which lead to mass failure of most business. So wholesalers should try to provide books of account to ensure the success of their business.

A thorough perusal of the preceding paragraph reveal the imperative position, the wholesalers occupies in the production and consumption process. There is no gain saying the fact that business is a risk. The dynamic businessman, with particular references to the wholesalers in this case ought to take the bull by the horn with all optimism.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 RESEARCH METHODOLOGY:

Methodology is an essential part of any research work because it tends to act as a guide in the collection and analysis of data. It is therefore the strategy of investigation, conceived so as to obtain answers to research questions and to control variance to research in order to achieve the special objectives of the study under investigation.

In the process of writing this research work, the writers' principal source of information was questionnaire method. Both open and close-ended questions were designed and administered for this purpose.

Others include secondary sources. That is use of text books for the literature review.

3.1 METHOD OF DATA COLLECTION:

For the purpose of this research exercise, questionnaire method was adopted. Questionnaires were administered to wholesale, within Damaturu and Potiskum.

3.2 DEVELOPMENT OF QUESTIONNAIRE:

Questionnaire, according to Chagnall, P. M. (1973) is:

A method of obtaining specific information, about a defined problem so that the data, after analysis and interpretation, result in a better appreciation of the problem.¹

Also, Zultman and Burger (1980) see a questionnaire as:

A self-administered process whereby the respondent himself reads the questions and records his answers without the assistance of an interviewer.²

Thus, going by the two definitions above, it is clear that a questionnaire is always administered in order to obtain relevant information about something and the respondent is always given a free hand to supply the required information without influence from the interviewer.

The questionnaires were however, administered personally by the researcher. Doing this help in eliminating the problem of low returns, that is usually associated 'with the mailed-out' questionnaire approach.

The questionnaire consisted of ten (10) items designed to test all the research questions of the study. The respondents were allowed to indicate their position on a three point scale namely: if Yes [] state reason', if No [] state reason' undecided.

3.3 RESEARCH POPULATION

Since the research is restricted to Yobe State, the population consists of all the wholesalers in Yobe State. However, since it is possible to reach out to all and sundry due to time and other constraints, the population sample for this study is thus some selected wholesale in Damaturu and Potiskum.

3.4 SAMPLE SELECTION:

Examples of earlier researchers have shown that a sample can always be drawn from a given population in order to obtain a desired information about that population. Getting a sample becomes imminent where cost and time are limiting factors. A times, it may not even be practicable to reach the whole population for the research study. Hence, a sample must be drawn out (adequate enough to give a fair representation of the population) upon which

the study would be conducted and the result analyzed. The sample is taken as a representative characteristic of the population.

As earlier mentioned, the sample size consists of selected wholesales in Damaturu and Potiskum. The sample size is twenty- six in all. The researcher used random sampling technique for sample selection to avoid bias.

CHAPTER FOUR

PRESENTATION AND DATA ANALYSIS

4.0 INTRODUCTION:

Data collected is useless without being analyzed. Hence this chapter gives the analytical presentation collected data. Sample averages are used in tabular to achieve this.

4.1 ANALYSIS OF RESPONSES TO RESEARCH QUESTION:

The purpose of this chapter is to present and analyze the data gathered through the questionnaire distributed.

This chapter is important for the simple fact that the conclusions and recommendations from this research will be derived from this chapter and it also gives meaning to the data collected.

Twenty-six questionnaires were administered and only twenty (20) were completed and returned. The remaining six (6) were not returned as a result of logical problems. Hence the final analysis of the project work hard to be based on twenty (20) questionnaires completed and returned.

This is reflected in the table below:-

TABLE 1 POPULATION SAMPLE

VARIANCE	RESPONDENTS	PERCENTAGE
No. of questionnaire received	20	76.92%
No. of questionnaire not received	6	23.08%
TOTAL	26	100%

Thus, Table 1 reveals that out of a total of 26 questionnaires administered (representing 100% of the population sample, only 20 were returned filled. These represents 76.92% were not returned this represent 23.08% of the population.

TABLE 2

ADVERTISEMENT OF PRODUCTS

QUESTION 1	VARIABLE	RESPONDENTS	PERCENTAGE
Do you advertise your product?	YES	10	50%
	NO	8	40%
	Undecided	2	10%
TOTAL		20	100%

The table above shows that 50% of the respondents advertise their products. According to them, they have the financial ability to do so. However 40% said no, because it is financially burdensome. Also there are some wholesalers that advertise the same thing, they consider it a waste of money, while 10% remained undecided.

TABLE 3

MAINTENANCE OF SALES TERRITORIES

QUESTION 2	VARIABLE	RESPONDENT	PERCENTAGE
Do you maintain your sales territories?	Yes	16	80%
	NO	4	20%
	Undecided		
TOTAL		20	100%

80% of the respondents said that they maintain their sales territories so as to gain high turn over, 20% of the respondents, do not because they are

not interested in maintaining their sales territories. None of the respondents was undecided.

TABLE 4

WAREHOUSING OF GOODS

QUESTION 3	VARIABLE	RESPONDENTS	PERCENTAGE
Do you use warehouse to store your goods?	Yes	16	80%
	No	2	10%
	Undecided	2	10%
TOTAL		20	100%

80% of the respondents have warehouses to store their goods because they buy in bulk and they want to reduce the level of damage in the shop, by keeping them in the warehouse, 10% however do not use any warehouse to store their goods, because their store space sufficiently accommodates bulk levels purchased from the manufacturers while the remaining 10% remained undecided.

TABLE 5

LOSS (ES) INCURED IN THE COURSE OF BUSINESS

QUESTION 4	VARIABLE	RESPONDENT	PERCENTAGE
Do you make any loss in the course of your business?	Yes	4	20%
	No	14	70%
	Undecided	2	10%
TOTAL		20	100%

From the above table, 20% of the respondents opined that there is loss in the course of business. 70% claimed No. This indicates that there is gain and hence prospects for future expansion of the business. However, 10% remained undecided.

TABLE 6

CHANNEL OF DISTRIBUTING GOODS

QUESTION 5	VARIABLE	RESPONDENT	PERCENTAGE
Through which channel do you distribute your goods?	Direct to customers.	5	25%
	Through Retailers.	13	65%
	Others	2	10%
TOTAL		20	100%

From the above table, 25% of the respondents distribute their goods direct to customers because they want to offer direct service to their customers. 65% distribute their goods through to retailers who serve as the channel of distributing the goods to the final consumer. While 10% distribute their goods through other means though not specified.

TABLE 7

REDUCTION VERSUS EXTENSION OF PRODUCT LINES

QUESTION 6	VARIABLE	RESPONDENTS	PERCENTAGE
Do you plan to drop any of your product lines?	Yes	2	10%
	No	14	70%
	Undecided	4	20%
TOTAL		20	100%

From the table above, 20% of the respondents were undecided as to whether or not to expand or drop some product lines. 10% said they would like to drop some of the product lines because they have low dividend yielding. They however plan to add more viable lines. 70% said No, because they gain much on their product lines. This shows that generally wholesaling

is a lucrative venture. It is so lucrative that prospective wholesalers could be enticed. This answers research question one.

TABLE 8

EXTENSION OF CREDIT FACILITIES TO CUSTOMERS

QUESTION NO. 7	VARIABLE	RESPONDENT	PERCENTAGE
Do you give credit to your customers?	Yes	15	75%
	No	2	10%
	Undecided	3	15%
TOTAL		20	100%

10% of the respondents said they do not give credit to their customers. 15% of the respondents assumed neutral disposition. However, 75% of the respondents said they extend credit facilities to customers. This, the researcher believes is a step in the right direction as it will encourage customers to make repeat purchase and hence continued patronage. This would normally lead to business expansion as a result of quick turnover on a continuous basis. This answers research question four.

TABLE 10

PROFITABILITY OF BUSINESS VENTURE

QUESTION NO 8	VARIABLE	RESPONDENT	PERCENTAGE
Do you make a lot of profit in the cause of your business	Yes	15	75%
	No	2	10%
	Undecided	3	15%
TOTAL		20	100

15% of the respondents were neutral, while 10% said No, they do not make a lot of profit in the course of their business because of low clientele. However, 75% of the respondents opined positively, this is an indication that the business is not only self-sustaining, but also shows prospect for future expansion. This answers research question 2 and 3.

TABLE 11

MAINTENANCE OF PROPER RECORDS

QUESTION NO 9	VARIABLE	RESPONDENTS	PERCENTAGE
Do you keep proper book of account?	Yes	16	80%
	No	3	15%
	Undecided	1	5%
TOTAL		20	100%

80% of the respondents indicate the use of proper books of account. This enables them to know the amount of profit they make on each sale or losses incurred. 15% said No because they know the exact amount they would get at the end of the sale, while the remaining 5% wholesalers remained undecided. The researcher however is of the opinion that proper record keeping make for accountability. It thus helps prevent fraud and move the business forward.

CHAPTER FIVE

5.0 SUMMARY CONCLUSION AND RECOMMENDATION

5.1 SUMMARY OF THE FINDINGS

INTRODUCTION

This chapter is solely concerned with summary of major findings of this research study.

During this research work, it was established that wholesalers are the persons who buy from manufacturers and sell to retailers who in turn sells to ultimate consumers. Wholesalers play a vital role in the channel of distribution, therefore they should not be completely eliminated despite some negative notions people hold of them such as hoarders, price linkers and so forth. Despite all these, they still help in making the goods available to consumers, most especially through retailers and sometimes direct to consumers who cannot afford 'wholes'.

Some literatures were also reviewed to know what had been written previously concerning wholesale trade and the problems and prospects they normally encounter.

Information on data used for this research exercise was sourced mainly through the use of questionnaires and relevant textbooks. Wholesalers were given questionnaire to full whereby the researcher could get vital information for the research work. Importantly, this research has been able to discover among others that by extension of credit facilities to customers' by wholesalers build required clientele for repeat purchase Profitable business lines also result to desired and envisaged expansion.

However, few wholesalers who neither advertise nor warehouse their goods are encouraged to do so for increased business viability.

5.2 CONCLUSION

The wholesalers in this locality have been found to be performing some important marketing function, the primary of which is provision of desired products by customers. This in turn results in business viability and subsequent expansion for the investors. They are however encouraged to avoid ~~hiking~~ prices unnecessarily. Also, they should intensify on extension of credit facilities to customers. This will create strong clientele patronage for required turnover level. Government should step in to give soft loans to aid financially handicapped wholesalers so that they could perform the credit extension function more positively.

5.3 RECOMMENDATION

In the light of the above conclusion, the following recommendations were therefore made:

1. Government should seek for ways in which they could help the wholesaler by giving them loans through commercial banks, especially those financially handicapped. This will make them more effective in extending credit to customers which will aid in building and sustaining clientele for desired expansion and continuity.
2. Wholesalers should provide adequate storage facilities so that all the goods purchased are not taken to the market at once.
3. Offering credit facilities to wholesalers by manufacturers should be done especially those with inadequate capital.
4. Wholesalers should on their own offer credit facilities to their customers in a way of encouraging continued patronage.

5. Construction of motorable roads especially in the areas where these are not available so that goods could be transported easily.
6. Improving the communication system in order to provide adequate information about the market situation to buyers and sellers.
7. Wholesalers should purchase the right commodities needed by the customers in their locality thereby avoiding wrong purchase of goods.
8. The marketers (wholesalers) in this case increased education, so that they would acquire needed experience on the business they are engaged in. Gathering them in the market squares and forming and forming an association whereby forums for meeting could be created can do this. Also, seminars could be organised by the chamber for commerce and industry.
9. The wholesalers should keep proper record of their transaction and the book of account so as to avoid over spending.
10. Lastly the wholesalers should learn how to plan ahead of time, that is having foresight for they are operating in a dynamic society.
11. They should try to ensure their goods against theft or burglary cases.

DEPARTMENT OF BUSINESS ADMINISTRATION AND
MANAGEMENT STUDIES, FEDERAL POLYTECHNIC,
DAMATURU, YOBE STATE.

Dear respondent,

I am a final year student of the department of business administration and management studies, Federal Polytechnic, Damaturu, Yobe State.

I am under taking research study as partial fulfillment and requirement for the award of the National Diploma in Business Administration studies. On the topic "WHOLESALE TRADE PROSPECT IN THE NEW MILLENIUM (A CASE STUDY OF SELECTED WHOLESALING OUTLET IN DAMATURU AND POTISKUM, YOBE STATE"

The sampling method used has selected you as one of those to assist with required information for the study.

I will therefore be most grateful, if you can assist in filling the attached questionnaire.

Yours faithfully,

HALIMA AHMED

QUESTIONNAIRE

1. Do you advertise your product (s)?

- a. If Yes [] state reason.
- b. If No [] state reason.
- c. If Undecided state reason.

2. Do you maintain your sales territories?

- a. IF Yes [] state reason.
- b. If No [] state reason.
- c. If undecided [] state reason.

3. Are you using any warehouse to store your goods?

- a. If Yes [] state reason.
- b. If No []state reason.
- c. If Undecided [] state reason.

4. Do you make any loss in the cause of your business?

- a. If Yes [] state reason.
- b. If No [] state reason.
- c. If Undecided [] state reason.

5. Through which channel do you distribute your goods?

- a. Direct to customer (s) []
- b. Through retailer (s) []

c. Other specify []

6. How regularly do the customers get your products through the channel used?

a. Regularly []

b. When available []

c. Occasionally []

7. Do you plan to drop or add any of your product lines?

a. If Yes [] state reason.

b. If No [] state reason.

c. IF Undecided [] state reason.

8. Do you give credit to your customers/

a. If Yes [] state reason.

b. If No [] state reason.

c. If Undecided [] state reason.

9. Do you make a lot of profit in the cause of your business?

a. If Yes [] state reason.

b. If No [] state reason.

c. If Undecided [] state reason.

10. Do you produce the goods yourself?

a. If Yes [] state reason.

b. If No [] state reason.

c. If Undecided [] state reason.

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This page should immediately follow Chapter five. It should precede the questionnaire and not the other way round