

PROBLEMS AND PROPECTS OF MIDDLEMEN IN
THE CHANNEL OF DISTRIBUTION: A TUDY OF
IBRAHIM BADAMASI BABANGIDA (IBB)
MARKKET SULEJA, NIGER STATE

BY

AZAKI ADAMU HAGGAI VE[15]90907
BARAU MAGDALINE VE[15]91007
AWUYA RUTH VE[15]91026
JOHN JOY VE[15]91142
SOLOMON RACHEAL VE[15]90911

BEING A PROJECT SUMMITTED TO DEPARTMENT
OF BUSINESS EDUCATION SCHOOL OF
VOCATIONAL EDUCATION
NIGER STATE COLLEGE OF EDUCATION, MINNA.

Bus/Edu
289

JULY, 2018

**PROBLEMS AND PROSPECTS OF MIDDLEMEN IN THE CHANNEL OF
DISTRIBUTION: A STUDY OF IBRAHIM BADAMASI BABANGIDA (IBB) MARKET
SULEJA, NIGER STATE**

BY

**AZAKI ADAMU HAGGAI
BARAU MAGDALINE
AWUYA RUTH
JOHN JOY
SOLOMON RACHEAL**

**VE/15/90907
VE/15/91007
VE/15/91026
VE/15/91142
VE/15/90911**

**BEING A PROJECT SUBMITTED TO DEPARTMENT OF BUSINESS EDUCATION
SCHOOL OF VOCATIONAL EDUCATION NIGER STATE COLLEGE OF EDUCATION,
MINNA. IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF
NIGERIA CERTIFICATE IN EDUCATION (NCE)**

JULY, 2018

APPROVAL PAGE

This project has been read and approved as meeting the requirement for the award of Nigerian Certificate in Education (NCE) of the Department of Business Education, Niger State College of Education Minna.

Abdullahi Hassan

(Project Supervisor)

AW

Signature

19/07/2018

Date

Abdullahi Hassan

(Coordinator)

AW

Signature

19/07/2018

Date

Oswoji, AN

(Head of the Department)

Oswoji

Signature

19/7/18

Date

DEDICATION

We dedicated this Project to Almighty God for His guidance and protection throughout our years of study in this great institution.

We also want to acknowledge our Project Supervisor in person of Ms. Helen Robinson Hassan, for his guidance, valuable suggestions, encouragement and moral support. May God reward you and continue to bless you in all your endeavors.

We also want to acknowledge our Parents for their moral and financial support towards the successful completion of our school. May Almighty God reward their sacrifices.

Our special thanks go to all our friends and sisters, classmates, friends and well-wishers. We just want to say thank you, and May Almighty God bless you all.

SERIAL UNIT
LIBRARY DEPT.
O. E. MINNA

ACKNOWLEDGEMENT

Our gratitude goes to Almighty God who has made all things possible and saw us through with our NCE programme. We sincerely acknowledge our Project Supervisor in person of Mallam Abdullahi Hassan, for his guidance, valuable suggestion encouragement and moral support. May God reward and continue to guide him in all his endeavours

We also wish to acknowledge our Parents for their moral and financial support towards the successful completion of our school. May Almighty God reward them abundantly.

Our special thanks go to our brothers and sisters, classmate, friends and well wishers. We just want to say thank you, and May Almighty God bless you all.

SERIAL UNIT
LIBRARY DEPT.
O. E. MINNA.

TABLE OF CONTENT

Title Page	i
Approval Page	ii
Dedication Page	iii
Acknowledgement Page	iv
Table of Contents	v
Abstract	vii

CHAPTER ONE INTRODUCTION

1.1 Background of the Study	1
1.2 Statement of the Problem	1
1.3 Objective of the Study	2
1.4 Research Questions	2
1.5 Significance of the Study	2
1.6 Scope and Limitation of the Study	3

CHAPTER TWO REVIEW OF RELATED LITERATURE

2.0 Introduction	4
2.1 Concept of Middlemen	4
2.2 Concept of Channel of Distribution	5
2.3 Types of Middlemen	5
2.4 Roles/Functions of Middlemen in Channel of Distribution	6
2.5 Problems/Challenges of Distribution Channel in Nigeria	12
2.6 Theoretical Framework	14

CHAPTER THREE RESEARCH METHODOLOGY

3.1 Introduction	15
3.2 Research Design	15
3.3 Population of the Study	15
3.4 Sample and Sampling Technique	15

3.5 Instrument for Data Collection	15
3.6 Validation of the Instrument	16
3.7 Reliability of the Instrument.....	16
3.8 Method of Data Collection	16
3.9 Method of Data Analysis	16

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction	17
4.2 Data Analysis	17
4.3 Discussion of Findings	21

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction	23
5.2 Summary	23
5.3 Conclusion	23
5.4 Recommendations	25
REFERENCES	27

ABSTRACT

This research work was carried out to examine the Problem and Prospects of Middlemen in the Channel of Distribution: A Study of Ibrahim Badamasi Babangida Market Suleja. The research methodology utilized descriptive research with simple numbers and percentages analysis in the analysis and synthesizing of primary sources of data collected via questionnaire, as well as diverse literature on the area of study. However, this study revealed that middlemen contribute immensely in the distribution of goods and services to the final consumers; they contribute to economic activities by ensuring that goods or services produced by manufacturers get to the final consumers. It is therefore, recommended that Suleja Local Government Area as well as Niger State Government should renovate or construct road linking villages and Suleja town. This if done well enable the movement of goods and service produced to the market and finally the consumers.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study¹

The main aim of distribution is to ensure that goods are made available to final consumers or users at the right time and right place. In our present economy, manufacturers or producers do not channel their products or goods directly to the final consumers or users. There is always a gap between the manufacturers and the final users, and to bridge this vacuum or gap it involves the activities of middlemen or intermediaries. Such as wholesaler, retailers, merchants middlemen etc. (Lars-Erik and Ivan, 2001).

This intermediaries or middlemen are concerned with the organizing system of transportation, storage and communication so that goods and services can easily be available and ascertain by the final users or consumers at their convenient and the basic elements of the system is the channel of distribution. Product may be in the market, but it can be little or less use if this product is not accessible. This is concerned with the place where these products or goods can be obtained when the need arises (Ehikwe, 2002).

Therefore, distribution is the movement of goods from the point of production or from the producer to the users of the product (final consumers) through a channel involving the middlemen or intermediaries.

1.2 Statement of the Problem

The process by which goods moves from the point of production or from producers to final users is known as distribution. Most of the channels and pattern of distributing goods are determined by producers. A firm financial capability or standard will determine either for the firm to carry out a direct channel of distribution where such firm sells its products directly to its consumers through its selected agent or marketers in other hand, if the firm is not financially buoyant or resourceful of the product.

However, this study is carried out to discover or identifies the problems faced by middlemen specifically the wholesalers while discharging their functions as intermediaries, it also aimed at finding the favourable possible solutions to the problems. Middlemen have being apportioned blames for the inefficiency and ineffectiveness of distribution. This study will therefore, aid the researchers to identify the constrain faced by middlemen in order to suggest some possible solutions.

1.3 Objective of the Study

The primary objective of this research is to examine the problem and prospect of Middlemen in the channel of distribution: A study of Ibrahim Babangida Market Suleja. Other specific objective is to:

- i. Find out the role or functions played by middlemen in channel of distribution in IBB Market Suleja;
- ii. Find out the challenges faced by Middlemen in IBB Market in Suleja;
- iii. Find out possible solutions to the problems of middlemen in distribution channel

1.4 Research Questions

The following research questions are formulated to guide the research:

- i. What are role or functions played by middlemen in channel of distribution in IBB Market Suleja?
- ii. What are the challenges faced by Middlemen in IBB Market in Suleja;
- iii. What are possible solutions to the problems of middlemen in distribution channel

1.5 Significance of the Study

The main motive behind the middlemen is to move produced goods from the production ground or point to the accessibility of the final consumers or users, and until goods produced get to the final consumer's production remain incomplete and inconclusive. The

wholesalers have extensively geared their effort to ensure efficiency in distribution of goods in order to bring about economic development, but on the process they have always occurs some problems militating this effort. This study or research work will be of great significance to the wholesalers as it will examine the activities of some selected wholesalers in Ibrahim Badamasi Babangida (IBB) market Suleja.

It may not be limited to wholesalers only, but it may also be of great importance to the students with the intention to venture into business that has to do with distribution of goods and services, and to public, individual with the same view of intention

1.6 Scope and Limitation of the Study

This research is based on problem and prospect of middlemen in channel of distribution with special reference to IBB market Suleja. The research will be limited to analysis based on the questionnaire administered as well as diverse literatures on the area of study.

Other limitation of the study is inability of the researchers to cover the entire population of the study, time and money constraints.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter intends to review existing literatures that have bearing on the subject of discussion. This chapter consist of Conceptual Framework, Concept of Middlemen, Concept of Channel of Distribution, Types of Middlemen, Roles/Functions of Middlemen in Channel of Distribution and Problems/Challenges of Distribution Channel in Nigeria.

2.2 Concept of Middlemen

The middleman (or intermediary) concept is frequently used in marketing literature to denote a particular category of market actors. A major problem is that the notion of a middleman is used to describe actors with quite different roles in the market system. Consequently, the interpretation of the concept becomes somewhat fluid and vague (Lars-Erik and Ivan, 2001).

In the literature taking the marketing management perspective of the manufacturer, middlemen are generally considered as important - but often antagonistic-counterparts. They are perceived to be part of distribution channels. This one-sided perspective conceals the real impact of middlemen in the market system. In particular it becomes problematic when we want to interpret the recent trends in distribution. The very concept of a middleman implies an actor in-between two other actors. In many cases the middleman is analysed primarily in terms of its relation to these two other actors. The purpose of this paper is to put in focus the business of the middleman rather than its role as perceived by others. We believe this perspective to yield more accurate insight in the business logic of middlemen (Marketing Guide (2017).

A middleman is a person or company that connects buyers with sellers. Wholesalers are a type of middleman. They buy goods from a manufacturer and then resell them to a retailer. A retailer is also an example of a middleman, as is a real estate agent. The middleman does not

produce anything but has extensive market knowledge. With the growth in technology and its capabilities, Internet companies have also become a type of middleman. Auction sites, for example, bring sellers into contact with buyers they usually wouldn't reach (Akers 2016).

2.3 Concept of Channel of Distribution

According to Marketing Guide (2017) distribution channels are one of the classic "4 Ps" (product, promotion, price, placement a.k.a. "distribution"). Channel of distribution refers to the whole economic system of distribution. It is the allocation of income and assets within one society. In business economics, distributions relates to the allocation of goods to the recipients. In general, distribution includes all activities that enable the transfer of material and/or economic power over tangible and/or intangible goods from one economic subject to another (Wirtschaftsleyikon24.net, 2011).

Channels of distribution provide downstream value by bringing finished products to end users. This flow may involve the physical movement of the product or simply the transfer of title to it. Also known as a distribution channel, a distribution chain, a distribution pipeline, a supply chain, a marketing channel, a market channel, and a trade channel (Ostrow, 2009). Similarly, distribution channel as defined by Hill (2010) is one or more companies or individuals who participate in the flow of goods and services from the manufacturer to the final user or consumer. On the other hand, when it comes to business marketing channels, the following are included: producer/manufacturer, representative or sales subsidiary of manufacturer, business distributor and business client (Kotler, Wong, Saunders and Armstrong, 2006).

A channel of distribution is a network of interdependent and interrelated institutions that perform all the activities necessary to move products from manufacturers to ultimate consumers. Channels of distribution are made up of the manufacturers, intermediaries and customers (UNESCO, 2010).

According to Ehikwe (2002), channel institutions involve the use of different levels of distribution to reach the consumers and whatever the level that is in use, both manufacturers and consumers will permanently remain at the beginning and the end of the distribution chain respectively. The first type of channel is the direct sales to consumer where the manufacturers deal directly with the consumers with no intermediary between them.

2.4 Types of Middlemen

According to citeman.com (2016) there are three types of middlemen that facilitate the flow of goods and services from the manufacturer to the customer. They includes: merchant middlemen, Agents and facilitator. They further explain them as thus:

- i. **Merchant Middlemen:** These are the intermediaries who take title to the goods and services and resell them. We know them as dealers, wholesalers and retailers. These middlemen get margins and bonuses as compensation. They share the risk with the manufacturers when they take title and physical possession of the goods. A merchant middleman is one who takes title to the goods and later carries out sales. An agent middleman, on the other hand, does not take title to goods. He simply gets orders from the buyers and passes on the same to the producers.
- ii. **Agents:** These are those intermediaries who do not take title to the goods and services but help in identifying potential customers and even help in negotiations. The typical example is that of agents, brokers, jobbers, etc. who act on behalf of the producer only to the limited extent of prospecting, warehousing and redistributing the products. They do not share risk with the manufacturers as they do not take the title to goods and services. Agents earn a commission and are reimbursed for all expenses by the manufacturer.

iii. Facilitators: These are independent business units that facilitate the flow of goods and services from the producer to the customer without taking a title to them or negotiating for them on behalf of the producer. Transport companies, banks and independent warehouses are an example of these institutions. These institutions are paid for their service charges. For example; a transporter get paid in the form of freight charges, while a banker gets paid service charges in the form of bank commission and warehouses and cold storages earn rent.

2.5 Functions/Roles of Middlemen in Channels of Distribution

Middlemen or intermediaries are established concepts in the distribution channel literature. Recent developments of practice make the use of the concept of middleman problematic. For example, firms traditionally labelled as distributors are increasingly involved in specifying design, materials, and production methods of products. The ongoing restructuring of distribution has been characterised as a process blurring the role of the respective actors.

According to citeman.com (2016) some of their key roles are of middlemen are as follows:

- i. Information:** Middlemen have a role in providing information about the market to the manufacturer. Developments like changes in customer demography, psychology, media habits and the entry of a new competitor or a new brand and changes in customer preferences are some kind of information that all manufacturers want. Since these middlemen are close to the customer and present in the market place they can provide this information at no additional cost.
- ii. Price Stability:** Maintaining price stability in the market is another function a middleman performs. Many a time the middleman absorbs an increase in the price of the products and continues to charge the same old price to the customer. This is because of the intra

middlemen competition. The middleman also maintains price stability by keeping his overheads low.

iii. **Promotion:** Promoting the products in his territory is another function that the middlemen perform. Many of them design their own sales incentive programs aimed at building customer traffic at their outlets.

iv. **Financing:** Middlemen finance manufacturers operations by providing the necessary working capital in the form of advance payments for goods and services. The payment is in advance even though credit may be extended by the manufacturer, because it has to be made even before the products are bought and consumed and paid for by the ultimate customer.

v. **Title:** Most middlemen take title to the goods and services and trade in their own name. This helps in diffusing the risks between the manufacturer and middlemen. This also enables middlemen being in physical possession of the goods, which enables them to meet customer demand at the very moment it arises. Thus, the role and functions of any marketing channel can be viewed from five different perspectives or marketing flows. The definition of a channel member goes beyond the traditional one of middlemen. Today it has come to include even suppliers of inputs (like raw material, components, capital and even labour) and other institutions like transport companies and banks that facilitate the distribution process. It is in this sense that the marketing channels have to be viewed as sets of interdependent organizations involved in the process of making a product or service available for use or consumption

Furthermore, Vaishnavi (2016) is of the view that in the modern business world, middlemen render the following services/functions:

- i. Middlemen are the furnishers of valuable information to the producers about consumer behaviour, the changes in tastes and fashions, etc.
- ii. Middlemen allow the manufacturers to concentrate on production only and relieve them from the both eration of marketing.
- iii. Middlemen render financial help to manufacturers.
- iv. They make available the goods according to the consumers' needs, fashion, tastes, etc.
- v. Middlemen are an important link between the producers and consumers.

According to Onyeke and Nebo (2000), any manufacturer who eliminates the channel middle men or intermediaries should be, ready to perform their tasks of transferring the title to products or moving goods from the producer to the consumer.

Onyeke and Nebo (2000) further identified functions of middlemen as follows:

1. **Selling Function:** Middlemen and some big retailers sometimes provide a sales force or other promotional efforts that could be used to perform the selling functions for the manufacturers.
2. **Buying Function:** Wholesalers perform a buying function for retailers, industrial users and other customers while retailers buy on behalf of the consumers.
3. **Market Information:** Intermediaries pass information from producers to other channel members. Examples, when a wholesaler passes information about product uses, repairs or guarantee as gotten from the manufacturer to retailer who then passes it to the consumers. Information from consumers also flows from the retailer to the wholesaler back to the producer.
4. **Bulk Breaking Function:** Intermediaries buy in relatively large quantities from manufactures and sell in smaller quantities to retailers and consumers.

5. **Storage Functions:** Middlemen have the tendency of preserving and storing the manufacturer's product until they are needed. Storage functions relieve the manufacturer of the cost and other problems associated with storage.
6. **Sorting Function:** After assembling or accumulating the products, intermediaries perform sorting function by identifying quality differences and breaking down the product into grade and /or size categories.
7. **Assortment Function:** Intermediaries create assortment function by purchasing many different products from different manufacturers from which a consumer can select his product choice.
8. **Reduction in the Number of Transaction:** Channel intermediaries accumulate bulk, break bulk and create assortments in order to reduce the number of transactions necessary to accomplish the exchange needed to keep consumers satisfied.
9. **Transportation Function:** Channel intermediaries sometimes use their delivery vans to move goods from the manufacturer's factory to where they are needed. Manufacturers, wholesalers and retailers are all involved in this transportation function.
10. **Finance and Credit Function.** Middlemen or Intermediaries perform finance function by paying in advance for products that are not yet produced. They also grant credit facilities to some customers or buyers who cannot pay immediate cash for the goods or services they buy.

From the forgoing discussion above it is clear that we can very safely say that the middlemen play a very vital role in the business activities and to maintain the regular chain of supply of goods from the manufacturers to the ultimate consumers, the existence of the middlemen is very essential.

2.6 Challenges of Distribution Channel in Nigeria

According to Tochi (2014) the challenges of distribution in Nigeria are as follows:

- i. **Activities of Middlemen:** Most intermediaries are very exploitative. This singular tendency has made it difficult for the retailers and the consumers to purchase goods at a reasonable price.
- ii. **Poor Road Network:** Road Network in most country is bad most especially Nigeria as this makes it difficult for goods to be moved from one destination to another.
- iii. **Lack of Proper Packaging:** When goods are not properly packaged, they do not attract the desired patronage, as this is one of the major problems, it is the bane of effective distributive trade.
- iv. **Inadequate Storage Facilities:** One of the major challenges facing distributive trade in Nigeria is lack of adequate storage facilities, as commodities that have high perishable rate cannot stand the test of time because of this problem.
- v. **Hoarding:** There are unscrupulous people who imbibe the habits of creating artificial scarcity of goods in a country through hoarding as this has greatly affected the distributive trade in the country.
- vi. **Lack of Effective Transport System:** For the goods produced to be able to move from the areas of production to where they are actually needed, there is need for an effective system to convey such goods. However, this is lacking in Most Country

2.7 Theoretical Framework

This research is informed by the theory of power and conflict in channels of distribution.

The theory of power and conflict in channels of distribution

For about a decade, the phenomena of power and conflict in channels of distribution have been given rather regular, empirical attention in the marketing literature, both separately and as a

occurrence (Gaski, 2011). For instance, the relationship between power and conflict, especially the impact of one channel member's power on the amount of intrachannel conflict that present seems to be of particular interest. Based on reported findings, it appears that the nature sources of the power possessed by a channel entity may affect the presence and level of conflict (as well as other behavioural variables) within the channel (Brown and Frazier 1978, Meyer 1980).

Channels of distribution can be viewed as social systems comprising a set of interdependent organizations, which perform all the activities (functions), utilized to move a product and its title from production to completion (Stern; 1971). Because of this interdependency, there arises a need for some form of co-operation between channel members and coordination of activities. This co-operation and co-ordination is necessary in order to ensure predictability and dependability between members which will allow individual organization to plan effectively. According to Wilkinson (1973), Power or, rather, the use of power by individual channel members affect the decision making and/or behaviour of one another (whether deliberate or not), is the mechanism by which the channel is organized and orderly behaviour preserved.

Definition of conflict in a marketing channel setting has been provided by Stern and El-Ansary (1977). Channel conflict is a situation in which one channel member perceives another channel member to be engaged in behaviour that is preventing or impeding him from achieving his goals. According to Stern and Gorman (1969) and Etgar (1979), Channel conflict is present: when a component (channel member) perceives the behaviour of another component to be impeding the attainment of its goals or the effective performance of its instrumental behaviour patterns.

Channel conflict emerges as the market evolves and business strategies change. According to Brent & Zach (2004), the primary motivations for supplier firms establishing multi-channel arrangements are the desire to increase market share and to reduce costs. Firms are attempting to

construct the supply chain and make it more efficient, a process that will disrupt traditional channels, resulting in conflict both internally among the supplier's channel managers and externally with distribution partners. More often than not, objectives among channels cannot be achieved concurrently. If one channel is succeeding, it is likely at the expense of another (Hogan, Webb 2002). This is the norm in multi-channel business strategies. A diverse channel strategy is necessary; however, for survival in the market place, "Manufacturers have historically been tentative in their approaches to electronic commerce, primarily out of fear of direct competition with and potential damage to existing sales channels" (Matta and Menta 2001).

CHAPTER THREE

RESEARCH METHODOLOGY

Introduction

This chapter deals with the procedure for data collection, the research design adopted in the research instrument and sampling techniques as well as method of data collection and analysis.

Research Design

The research design used for this work is survey method. This is because only a part of the population will be studied and the finding will be generalized to the entire population.

Population of the Study

According to Orodho, (2008) specifying the population that is targeted for study is important as it helps researcher to make decisions on sampling and resources to use. The population was all the entire Two Hundred (200) middlemen in channel of distribution in IBB Market Suleja Local Government Area.

Sample and Sampling Technique

Simple random sampling technique was used to select Fifty (50) out of the entire Two Hundred (200) middlemen in IBB Market Suleja to participate in the study.

Instruments for Data Collection

The instrument being used in this research work is the questionnaire, which consists of various types of question design and expected to be answered by the respondent on the column provided appropriately? The questionnaire was used since the study was mainly concerned with variables that could not be directly observed or manipulated. A questionnaire was also preferred because it takes care of confidentiality.

Validity of Instrument Used

In order to ensure validity, the instrument was given to the experts in which useful and constructive suggestions, observations and corrections were made before they were administered to respondents. From the initial total of 15 questions were designed, but 10 questions were finally used on expert input.

Method of Data Collection

The researcher personally went to the field and administered the instrument i.e. questionnaire to the respondents. However, the researcher went there physically to distribute the questionnaire in order to gather first hand information for the study as this could ensure validity and reliability of the findings.

Method of Data Analysis

The data collected via questionnaire will be analyzed using simple percentage and frequency distribution. The data collected are in table form for better analysis and understanding. The highest percentage score reject or agree with the question asked in the table

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

Introduction

This chapter deals with data presentation and analysis of the data collected via primary sources.

Presentation and Analysis

Gender of Respondents

Gender	Frequency	Percentage (%)
Male	30	60
Female	20	40
Total	50	100

Source: Field Survey, 2018

Table 1 shows that 30 representing 60% of the respondents are male middlemen, while on the other hand the remaining 20 representing 40% of the respondents are female middlemen. The conclusion of the above analysis is that majority of the middlemen in channel of distribution are in the market Suleja male.

2: Years of Experience of the Middlemen

Years of Experience	Frequency	Percentage (%)
30-35years	5	10
36-40years	10	20
41-45years	15	30
46-50	16	32
51years and above	4	8

Total	50	100
Source: Field Survey, 2018		

Table 2 revealed that 5(10%) of the respondents are into the business of middlemen 10-35years, 10 representing 20% are between 36-40year, 15 representing 30% of the respondents are between 41-45years, 16 representing 32% of the respondents are between the age 46-50 years while the remaining 4% are between the age 51years and above.

Table showing the response on problems and Prospect of Middlemen in Distribution

Problems of Middlemen	Responses				Total
	SA (%)	A (%)	SD (%)	D (%)	
Problems of cost of transportation hinders our job	34(68%)	12(24%)	4(8%)	-	50
Poor road network affect our work	45(90%)	5(10%)	-	-	50
Lack of adequate storage facilities hinders our functions as a middlemen	25(50%)	15(30%)	10(20%)	5	50
Hoarding of goods by some people make our job to be problematic as goods are usually expensive before it reaches final consumers	33(66%)	12(24%)	5(10%)	3(6%)	50
You have been accused by critics of exploiting customer by making the price of goods to be higher before it reaches the final customers	15(30%)	20(40%)	10(20%)	5(10%)	50
Higher tax collected by government, affect our activities, thereby making goods to be costly before it reaches the final consumers.	14(28%)	21(42%)	6(12%)	9(18%)	50
Prospect of Middlemen in distribution					50
We are maintaining price stability in the market, which enables the final	45(90%)	5(10%)	-	-	50

consumers to a fair and stable price of goods					
Play part in providing information about the market to the Producer or manufacturer	40(80)	10(20%)	-	-	50
We finance producers or manufacturers operations by providing the necessary working capital in the form of advance payments for goods and services.	39(78%)	11(22%)	-	-	50
Middlemen contribute to economic activities by ensuring goods get to the final consumers and thus add to economic development of the nation.	30(60%)	20(40)	-	-	50

Source: Field Survey, 2018

Table 3 under item 1 above shows that 34 of the respondents (i.e. the middlemen) representing 68% of the of the respondents strongly agreed with the assertion that they are faced with the problems of cost of transportation hinders our job, 12(24%) of them agreed with the assertion, while the remaining 4 representing 8% of the respondents strongly disagreed with the assertion.

Item 2 under table 3 shows that 45(90%) of the respondents strongly agreed with the statement that poor road network affect their work, while the remaining 5 representing 10% of the respondent agreed with the assertion. Item 3 under table 3 revealed that 25(50%) of the respondents strongly agreed with the assertion that lack of adequate storage facilities, especially for agricultural products hinders their activities, 15 representing 30% of the respondents agreed with the assertion, 7(15%) of them strongly disagreed with the assertion, while the remaining 5 representing 10% of the respondents disagreed with the statement.

under table 3 shows that 33% of the respondents strong agreed with the assertion of goods by some people make our job to be problematic as good are usually before it reaches final consumers assertion, 12(24%) of them agreed with the assertion, 1 strongly disagreed with the assertion, while the remaining 3 representing 6% of respondents disagreed with the assertion respectively

Item 5 under table 3 revealed that 15(30%) of the respondent strongly agreed with the assertion that they have been accused by critics of exploiting customer by making goods to be expensive before it reaches the final consumers.

Item 6 under table 3 revealed that 14 representing 28% of the respondents strongly agreed with the assertion that Higher tax collected by government, affect their activities, thereby making goods more costly before it reaches the final consumers, 21(42%) of the respondents are in support of the assertion, 6(12%) of them strongly disagreed with the assertion, while the remaining 9(18%) of respondents disagreed with the statement respectively.

Item 7 under table 3 revealed that 45 representing 90% of the respondents strongly agreed with the assertion that they are maintaining price stability in the market, which enables the final consumers to a fair and stable price of goods, while the remaining 5 representing 10% of the respondents are in support of the assertion.

Item 8 under table 3 revealed that 40(80%) of the respondents strongly agreed with the assertion that they play a major role in providing information about the market to the Producer or Manufacturer, while the remaining 10 representing 20% of the respondent agreed with the assertion.

Item 9 under table 3 revealed that 39(78%) of the respondents strongly agreed with the assertion that they finance producers or manufacturers operations by providing the necessary capital.

the form of advance payments for goods and services, and the remaining 11% of the respondents (i.e. the middlemen) are totally in support of the assertion. Under table 3 revealed that 30 representing 60% of the respondent strongly agreed that middlemen contribute to economic activities by ensuring that goods get to consumers and thus add to economic development of the nation, and the remaining 20% of the respondents are in support of the statement.

of Findings

Analysis above revealed that respondents i.e. the larger percentage of the respondents 70% of them are male middlemen, the analysis further revealed that middlemen are facing the problems ranging from the problem of cost of transportation hinders their job. The respondent strongly agreed with the assertion. The analysis also revealed that factors like poor road network affect our work, Lack of adequate storage facilities hinders our functions as a business, higher government tax and hoarding of goods by some people make our job to be difficult. As good are usually expensive before it reaches final consumers and criticism by consumers are major challenges facing them.

The analysis further revealed some of their achievement which include: maintaining price stability in the market, which enables the final consumers to a fair and stable price of goods, providing information about the market to the Producer or manufacturer, finance for manufacturers operations by providing the necessary working capital in the form of advance payments for goods and services and also contributing to economic activities by ensuring that goods get to the final consumers and thus add to economic development of the nation. Larger percentage of the respondent (i.e. the middlemen) agreed that the above listed achievements are contributing to their prospect in middlemen business.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This research was to determine the problems and prospect of Middlemen in the distribution with special reference to IBB Market in Suleja Local Government Area. reviewed related literatures that have bearing on the subject of study. The method adopted in the study was questionnaire, which was used in collecting data from respondents.

Data collected via questionnaire was presented in a tabular form and analyzed in the following manner.

The research concluded that middlemen contribute immensely in the distribution of goods from producers to the final consumers; they contribute to economic activities by ensuring that goods produced by manufacturers get to the final consumers. The research also revealed that middlemen are faced with lot of challenges such as: poor road network, inadequate storage facilities, problem high tax among others.

Recommendations

The following recommendations are made based on the findings:
1. Suleja Local Government Area as well as Niger State Government should try to renovate or construct road linking villages and Suleja town, in order to enable the movement of goods and service produced to the market and finally the consumers. This will ease the work of middlemen and at the same time make goods and services affordable to the final consumers;

en should try as much as possible to control the price of goods and services
when the roads linking villages and industrial areas are renovated or well
ed. This will reduce people's negative perception and criticism against
en in the channel of distribution;

challenges facing middlemen according to the findings of this research is high
ment tax, therefore, Suleja Local Government Area should try reduce the tax
ly in order to reduce the prices of goods and services before it reaches the final
umers;

research on this particular research topic in order to bridge the gap or limitations of
s research.

REFERENCES

- As, H. (2016) What Is the Middleman in Marketing? Available at: <http://yourbusiness.azcentral.com/middleman-marketing-12253.html>
- At, D. & Zach E. (2004) Retrieved from: <http://www.mbafiles.com/wpcontent/uploads/>
- awn J. and Frazier G., (1978) "The Application of Channel Power: Its effects and Connotations in Research Frontiers in Marketing Dialogues and Directions," Subhash C. Jain ed Chicago American Marketing 266-270.
- an.com (2016) Role of Middlemen. Retrieved from: <https://www.citeman.Com/352-role-of-middlemen.html>
- , F. Robert (1980), "Channel Member Satisfaction: Laboratory Insights" Journal of Retailing. 56 (summer) 45-65.
- , A.E. (2002) Transportation and Distribution Management. Enugu, Nigeria: Precision Publishers Limited
- F., "The Theory of Power and Conflict in Channels of Distribution." Retrieved from: <http://bear.warrington.ufi.edu/weitz/>
- F. (2010): The Encyclopedia of Operations Management - 2010 Edition: A field manual and encyclopedic glossary of operations management terms and concepts, Clamshell Press.
- hn E. and Webb, Kevin L., (2002)" Hybrid Channel Conflict, Causes and Effects Channel Performance." The Journal of Business 7 Industrial Marketing. Santa Barbara 17(5).
- .; Wong, Veronica; Saunders, J.; Armstrong, G. (2006): Principles Marketing, Prentice-Hall, 2003., Prijevod, MATE, Zagreb
- Keller, K. L. (2008): Marketing Management, 12th Ed., Prentice-Hall, 2006., od, Mate, Zagreb.
- and Ivan, S. (2001). Rethinking the Role of Middlemen. Available at: mpgroup.org/uploads/papers/182.pdf.
- Mehta, N. (2001) "Turning Channel Conflict into Channel Cooperation." CCG.XM.
- m (2012) How-to-develop-your-distribution-channels Available at: www.marketingmo.com/strategic-planning/how-to-develop-your-distribution-
- Nebo, G.N. (2000). Principles of Modern Marketing. Enugu: Precious & g) Ltd.

2009): The Fairchild Dictionary of Retailing, Second Edition,
Fairchild Books, Inc.

Ansary, A.I and Coughlan, A.T (1996) *Marketing Channels* 5th ed., Prentice
Hall, NJ.

Ansary, I. El-Ansary (1977), *Marketing Channel* Eaglewood Cliffs, NJ Prentice

Ansary, I. El-Ansary (1977), *Marketing Channel* Eaglewood Cliffs, NJ Prentice
Hall, NJ. Consumer Goods - Evaluation of the Roles of Middlemen In Channel of
Distribution. Available at: <https://www.businessplannigeria.com.ng>

Ansary, I. El-Ansary (1977), *Marketing Channel* Eaglewood Cliffs, NJ Prentice
Hall, NJ. The Role of Middlemen in Marketing. Available at:
www.unesconigeria.org/teaching%20materials/lm/leisure%20&%20management/semester2/LTM121%20Leisure%20&%20Tourism/Marketing/week10.html.

Ansary, I. El-Ansary (1977), *Marketing Channel* Eaglewood Cliffs, NJ Prentice
Hall, NJ. Functions of Middlemen. Available at: <https://github.com/Middleman>
an-blog/issues/221

Ansary, I. El-Ansary (1977), *Marketing Channel* Eaglewood Cliffs, NJ Prentice
Hall, NJ. (1974) "Researching the Distribution Channels for Consumer and
Goods. The Power Dimension" *Journal of the Market Research Society*.
12-32.

**APPENDIX
QUESTIONNAIRE**

Dept of Business Education,
Niger State College of Education Minna

dent,

e student of the above named institution carrying out a research study on the topic
d Prospect of Middlemen in the Channel of Distribution: A Study of IBB Market
Government Area, as a pre-requisite for the award of NCE Business Education of
College of Education Minna.

questionnaire is designed to elicit information from you for the above purpose.
given will be treated with absolute confidence.

ronym
ly Agree

ly Disagree

ee

A: PROFILE OF RESPONDENTS

Male () Female ()

experience in Middlemen Business: 36-40years () 41-45years () 46-50 ()

and above ()

B: QUESTIONS ON PROBLEM AND PROSPECT OF MIDDLEMEN

Problems of Middlemen	Responses			
	SA (%)	A (%)	SD (%)	D (%)
Problems of cost of transportation hinders our job				
Poor road network affect our work				
Lack of adequate storage facilities hinders our functions as a middlemen				
Hoarding of goods by some people make our job to be problematic as good are usually expensive before it reaches final consumers				
You have been accused by critics of exploiting customer by making the of goods to be higher before it reaches the final customers				

higher tax collected by government, affect economic activities, thereby making goods to be available mostly before it reaches the final consumers.				
Prospect of Middlemen in distribution				
They are maintaining price stability in the market, which enables the final consumers to pay a fair and stable price of goods				
They play part in providing information about the market to the Producer or manufacturer				
They help to finance producers or manufacturers operations by providing the necessary working capital in the form of advance payments for goods and services.				
Middlemen contribute to economic activities by ensuring goods get to the final consumers and thus add to economic development of the nation.				