**WEEK SIX**

**TOPIC: SMALL SCALE RETAILING**

**CONTENT**

* Itinerant trading
* Other types of small scale retailing
* Reasons for the existence of many small scale retail businesses in Nigeria
* Problems encountered by small scale retailers

There are several types of size of retail outlets which for easy analysis can be grouped into two, namely: Small scale and Large scale retailing

**TYPES OF SMALL SCALE RETAILING**

1. Itinerant Traders: The common feature of itinerant traders is that they move from place to place to sell, thereby making goods handy for customers i.e. goods are brought to the consumer’s doors. Examples of itinerant traders are hawkers, peddlers, gypsies etc

**FEATURES OF HAWKING/ ITINERANT TRADING**

1. Hawking is a form of small scale retail business.

2. It provides door-to door selling.

3. Hawking requires small capital outlay to set up.

4. It involves movement of goods from one place to another on the head by carts, by canoe, wheel barrows etc.

5. Hawkers do not pay rent

6. The goods are advertised to customers through shouting the wares, bell, horn, trumpet or loud speakers

**ADVANTAGES OF HAWKING**

1. It requires small amount of capital for its operation.

2. It provides door-to-door selling.

3. It is easy to start.

4. Hawking is a form of advertising.

5. Little or no running expenses is incurred by its operators i.e. no rent, wages etc is paid.

6. There is flexibility in its operations.

7. The goods are sold at cheap prices to customers.

8. Hawking provide employment opportunities to many who would otherwise have been unemployed.

**DISADVANTAGES OF HAWKING**

1. Hawkers are exposed to the dangers of road mishaps or accidents.

2. Hawking disturbs the flow of traffic i.e. it cause traffic hold-ups in urban cities e.g. Lagos.

3. Hawking deprives some children of their education.

4. Child abuse or child Labour is encouraged by hawking.

5. Hawking contributes to the littering of streets by generating refuse that are dropped on the roads.

6. Food items are exposed to health hazards e.g. dust, germs, unsanitary handling by hawkers.

7. Young hawkers are exposed to bad influence e.g. drugs, armed robbery, crime by social miscreants.

8. Hawking is stressful – hawkers are exposed to bad weather conditions like cold, intense heat e.t.c.

9. Hawking is an important avenue for the sale of fake or sub-standard goods.

10 Government is deprived of revenue as most hawkers do not pay taxes or rates to the local government.

11. Young girls engaged in hawking could be assaulted sexually leading to early pregnancies.

**OTHER TYPES OF SMALL SCALE RETAILING**

2. Street retailing or Roadside Traders.

These are traders who display their wares along the streets, roads or outside the gates of schools, companies or offices in town and cities.

3. Market Traders or Stall Holders

These are traders found in established markets and who operate by arranging or displaying their wares (goods) on tables, sheds or stalls. They are traders who do not operate from fixed shops.

**EVALUATION**

1. State five advantages of hawking.

2. State four disadvantages of small scale retail trade.

3. Explain five ways in which the activities of hawkers constitute a disadvantage to the economy.

**OTHER TYPES OF SMALL SCALE RETAILING**

1. **KIOSKS:** These are retail outlets that offer very limited range of consumer items e.g. cigarettes, sweets, provisions, newspaper and magazines, stationery; phone cards/call services etc. They are usually sited at places where customers frequently pass such as junctions, motor parks etc

2. **Small Store or Single Shops:** These are small stores found in front of residential houses or at shopping complexes. They are conveniently located for customers and are found in both urban and rural areas.

3. **Tied Shops:** These are shops that confine what ever they sell to single commodity which their producers supply direct to them. The shop owners are supported with finance equipment/machinery for the sale of such products by the manufacturer. Tied shops sell single product like ice cream, soft drinks, petroleum products, beer etc.

4. **Mobile shops:** These are motor vans or lorries used as shops with goods well arranged. They build up regular customers and are very convenient for consumers in remote areas. They advertise by music, microphone announcement, public address system, jingles etc.

**REASONS FOR THE EXISTENCE OF MANY SMALL SCALE RETAIL BUSINESSES IN NIGERIA/WEST AFRICA**

1. Lack of sufficient capital that could be used to established large retail business

2. Low savings as a result of low per capital income

3. High rate of unemployment and the difficulty in getting white collar jobs

4. Absence of developed markets

5. Small scale business requires small capital which is within the reach of many people.

6. Small scale retailing is attractive as it involves low running expenses.

7. There is flexibility in its operations: The owner can combine it with other forms of occupation and it can easily be adapted to changing conditions where necessary.

**PROBLEMS ENCOUNTERED BY SMALL SCALE RETAILERS**

1. Competition from big businesses e.g. price competition

2. Insufficient capital for investment and expansion of business

3. Inability to secure an ideal location because of congestion especially in urban areas

4. Bad debts i.e. inability of the business to collect debts from its debtors.

5. Unlimited liability – Small scale businesses are usually in the form of sole proprietorship or partnership.

6. Disturbance from government agencies like urban planning, revenue officials, environmental protection agencies e.t.c

**EVALUATION**

1. Differentiate between a kiosk and a tied shop

2. What is the similarity between a mobile shop and hawking?

3. Why are there many small scale retail traders in Nigeria?

**READING ASSIGNMENT**

Essential commerce for SSS by O. A Longe Page 21 - 25

**WEEKEND ASSIGMENT**

1. Peddling and hawking are examples of (a) large scale retailing (b) small scale retailing (c) medium scale retailing (d) small scale wholesaling

2. The term ‘enterprises’ denotes the ability to (a) bear risk (b) control other factors of production (c) maximize profit (d) organize other factors of production

3. Buying and selling of goods and services within the geographical area of a country is called \_\_\_\_\_\_\_\_ trade (a) entrepot (b) external (c) domestic (d) import

4. Which of the following is an example of itinerant trading? (a) mobile shop (b) mail order business (c) stall holding (d) selling from kiosk

5. Which of the following is not a retail outlet? (a) mobile shop (b) tied shop (c) discount house (d) kiosk

**THEORY**

1a. Who are itinerant traders?

b. State four features of hawking.

2. State three reasons for the survival of small scale retailers in Nigeria

**GENERAL EVALUATION**

1. Explain five activities involved in Commerce
2. State three uses of capital as a factor of production
3. State four uses of land as a factor of production
4. List six functions of an entrepreneur
5. Explain five advantages of small scale retailing