

The Role of Middlemen on Economic Development of Local Markets in Malumfashi Local Government Area - Katsina State, Nigeria

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ABSTRACT

The study examined the role of middlemen in economic development of Local Markets in Malumfashi local Government Area of Katsina State. The specific objectives are to determine the role that middlemen play in the distribution of economic goods and services as well as ascertaining their contribution to the economic development of Malumfashi Local Government area. The study adopted a survey research design with a population sample of 364 from a total population of 4151 traders cutting across the study area. The study used a cross sectional data involving both primary and secondary data while questionnaire was the main instrument of data collection. used to explore the relationship between the variables. Analysis on data was carried out using simple frequency table, percentages and regression analysis was conducted via (SPSS version 23) computation. The findings from the analysis revealed that middlemen play important role in the economic development and their activities contribute significantly to the economic development of the Local Government. Although they lack access to credit facilities, the study concluded that, middlemen are doing a great job by taking up the responsibility of bridging the gap that exists between the manufacturers and consumers; making goods and services available in the market at all the time as such cannot be eliminated. Since Market intermediaries' activities are engaged in all business spheres across Nigeria; diversification and strengthening of their activities is highly recommended thereby developing a vibrant value chain that will attract participants and investments in market intermediation activities and also the middlemen should have access to viable credit facilities in order to improve their income and variety of products in their stores and warehouses.

Keywords: Economic Development; Distribution; Market; Middlemen; Intermediaries.

1. INTRODUCTION

Market has always been an important component of Nigerian economy which is made up of parts that work together as a system. And a major part of the market system is the 'market intermediaries' popularly called middlemen, whose functionality has provided employment to many people and bridged the disparities in productive capacity among communities in Malumfashi Local Government area. In these local markets, many producers do not sell their produce directly to the final consumers but go through one middleman or another to do so. Busch and Houston (1986) posit that marketing need not exist until a social economy reaches the point where the producers of economic goods are not the consumers of same. This situation creates a separation gap (Anyawu, 2000:26). Meaning a product may be in the market, but it will be of little use to the consumers, because these products cannot be seen where they are wanted.

Marketing intermediaries are businesses that facilitate the exchange of goods and services between producers and consumers (Ogunbajo & Adebayo, 2023). Availability of products to the consumer at the right time and right place requires an effective marketing system which will ensure the flow of products to the consumers in the form, time and place that will be convenient. This involves some other players along the distribution channel known as the middlemen (Lawal and Idega, 2015) who play a vital role in the distribution of consumer goods, as they help to make products available to consumers in a convenient and timely manner as well as development of local markets (Agyapong & Agyapong, 2022).

Middlemen have various functions in the marketing of products, produce or service. These include, maintaining contact with buyers, negotiate prices, delivery, transfer of title, providing credit or collections, servicing of products and other services, provide inventory and storage and arrange transportation. They are also classified differently by scholars into buying brokers. Producers are not allowed to sell their produce directly to consumers but must deliver the product to middlemen who are mandated to sell the produce to other traders and consumers. They bridge the gap between producers and consumers by making products available in a convenient and timely manner (Anyawu, 2000). Intermediaries also provide a number of other important services, such as information and advice to consumers, after-sales services, and risk reduction for producers. There are many different types of marketing

intermediaries, including wholesalers, retailers, brokers, and agents. Wholesalers purchase goods in bulk from producers and then sell them to retailers or other businesses. Retailers sell goods directly to consumers. Brokers and agents bring buyers and sellers together but do not take ownership of the goods being traded. People may ask why marketing intermediaries are used, “Why do producers give the selling jobs to intermediaries? Why don’t they distribute these goods themselves? Because giving the rights to middlemen means giving up some control over how and whom the products are sold to.

According to Kotler (1998:358) “the use of intermediaries results from their greater efficiency in making goods available to target markets, though their contacts, experience, specialization and scale of operation usually offer them the advantage of reaching the consumers more than any producer can achieve on his own” but with a price. It can be seen that market middlemen are vital developmental tool as they intervene between the original source of supply and the ultimate consumer. They are a major part of the market system, provide employment to many people in Nigeria and bridged the disparities in productive capacity between communities. Their activities are engaged in all business spheres across Nigeria; hence diversification and strengthening of their activities is highly possible. As such marketing will be incomplete without realizing the role market middlemen play in the sustained growth of the economy and improvement of standard of living of the people. If the role middlemen play in the distribution of consumer goods is appreciated, it will go a long way in improving the standard of living of the people, the firm and the middlemen themselves. Industries revenue will be improved since more customers will be discovered in the target markets at the long run. Therefore it will boost the revenue of the state

Given the above background, therefore this study is beneficial to the consumers, manufacturing firms, the middlemen themselves and the entire economy of in Malumfashi Local Government and Katsina state in general.

1.1 Statement of the Problem

It is known fact that production is not yet complete until the goods produced reach the final consumers and for products to get to the ultimate buyers, firms or producers engages the services of the middlemen, these middlemen help in making goods available as at when

needed and always. The final goods may pass along a whole chain of intermediaries on their way to consumers. Such chains are particularly visible in developing countries, where small-scale traders play a very active economic role (Alabar, 2018).

The role of marketing intermediaries in the distribution of consumer goods is a well-established concept. However, there is less research on the specific role of intermediaries in the distribution of consumer goods in developing countries; very little is known, either theoretically or empirically, about how or why these distribution chains are formed and the implications for consumers. In their quest to discharge their role or functions, the flow of goods get distorted, caused by distance between the producers and the consumers. This gap unnecessarily creates a time lag between the production of goods and the consumption of such goods, under this time lag the middlemen create artificial scarcity directed at infiltrating the product and increasing the price without any corresponding increase in the value of the product but receives fee for expediting the exchange (Ranis & Stewart 2015).

One of the macroeconomic objectives of nations is to achieve sustained economic growth and overall economic development. This is a concerted effort on the part of responsible government in a country, a state, or local community to influence the direction of private sector investment toward opportunities that can lead to sustained economic growth that can provide sufficient incomes for the local labour force, profitable business opportunities for employers and tax revenues for maintaining an infrastructure to support the continued growth (Ranis and Stewart 2015). Economic growth is therefore a necessary condition that brings about improvement in income earnings through employments generation, and income on the other hand is the determinant of consumption and wealth acquisition and distribution.

There is a longstanding interest among social scientists in understanding how trade barriers within localities affect consumer welfare and in understanding the sources of price gaps between producers and consumers. However, no literature has considered why there might be multiple links between producers and consumers, and how the structure of intermediation itself might affect the price and availability of products for consumers under different circumstances. Furthermore, current empirical understanding of intermediaries is hampered by data limitations where most businesses documents transactions at a single link, e.g. from producers to wholesalers, but does not follow goods across multiple transaction points within local markets and this study collect data that fills this gap. Against this backdrop,

the study seeks to assess the role middlemen play in the economic development of Malumfashi Local Government in Katsina State, Nigeria.

1.2 Objectives of the Study

The general objective of this study is to assess the contributions of market intermediaries to the economic development of Malumfashi local Markets in Katsina State. This can be achieved under the following specific objectives to:

- i. Determine the roles played by middlemen in the distribution of consumer goods and services in Local markets of Malumfashi Local Government Area in Katsina State.
- ii. Ascertain the contribution of middlemen to the economic development of the Local markets in Malumfashi Local Government Area in Katsina State.

2. LITERATURE REVIEW

2.1 Concept of middlemen

The term “middlemen” is understood to mean traders who intervene between the original source of supply and the ultimate consumers. This group of people acts as intermediary between the producers, firms, manufacturers and the consumers. Many producers do not sell products or services directly to consumers, instead they use the market middlemen to execute an assortment of necessary functions to get the products to the final user (Alabar 2018). These groups of people act as intermediary between the producers (farmers), firms, manufacturers and the consumers. Many producers do not sell products or services directly to consumers, instead they use an array of market middlemen to execute an assortment of necessary functions to get the products to the final user. These middlemen such as wholesalers, retailers, agents, brokers, distributors and financial intermediaries typically enter into longer-term commitments with the producers and make up what is known as the marketing chain or channel of distribution. The process through which goods reach the final consumer are complex systems, that link three or four level of producers, wholesalers, retailers, brokers, and distributors (Ogeh & Omofonmwan 2023).

Marketing intermediaries are businesses that facilitate the exchange of goods and services between producers and consumers (Ogunbajo & Adebayo, 2023). They play a vital role in the distribution of consumer goods, as they help to make products available to consumers in a convenient and timely manner (Agyapong & Agyapong, 2022). They operate bulk-breaking

sites that allow small retailers and vendors to obtain sufficient amount of goods for their customers. Because many cities with large number of poor households cannot efficiently support large-scale assembling and warehousing firms, cost of suppliers can be minimized at specialized bulk breaking sites.

Kotler and Armstrong (2009) see middlemen as a set of interdependent organizations involved in the process of making a product or service available for use or consumption by the service or business user. It is an integrated network made up of participants that accomplish different marketing functions through specialization of tasks and allocation of various responsibilities.

From the researcher's point of view middlemen constitute individuals who buy economic goods from the producers and sell to the users or consumer of such good with the aim of making profit for themselves as well as making the products available at the convenience of the consumers.

2.1.1 Types of Marketing Intermediaries (middlemen)

There are many different types of marketing intermediaries, including:

1. **Wholesalers:** Wholesalers purchase goods in bulk from producers and then sell them to retailers or other businesses (Ogunbajo & Adebayo, 2023). They provide a number of important services, including storage, transportation, and risk reduction.
2. **Retailers:** Retailers sell goods directly to consumers (Agyapong & Agyapong, 2022). They offer a wide range of products and services, and they play a key role in providing convenience and value to consumers.
3. **Brokers and agents:** Brokers and agents bring buyers and sellers together but do not take ownership of the goods being traded (Kwatra & Singh, 2021). They play an important role in matching buyers and sellers and in facilitating transactions.

2.1.2 The Roles of Middlemen in Marketing System

Marketing intermediaries play a number of important roles in the distribution of consumer goods, including (Ogunbajo & Adebayo, 2023). An important argument is that middlemen always fulfill important marketing functions in the marketing system, and that the roles they take complement those of other market actors. The three main roles, in which middlemen

actually follow different business logic and perform widely different functions, are highlighted.

These roles include middleman as a trader, middleman as a distributor and middleman as a provider.

Middlemen as traders: offer to their customers an assortment of products acquired from various sources. The assortment offered to the customers by the middleman is different from what can be offered by each of the firms supplying the middleman. The middleman offers thus an own 'product/service' in which the various suppliers' products are just but components. (citation) noted that a middleman trader exercises the essential entrepreneurial functions of exploring and creating market exchange opportunities and bears the risk entailed in this task. It operates in two markets- helping customers access resources needed and the holders of resources to reach the consumers, creating a different bundle of resource elements offered to customers and lowering transaction costs. A middleman as a trader buys and sells all type of products and carried out all the basic commercial functions. Even though a trader middleman may do a bit of product sorting and packaging, his distinctive trait is that he does not transform resources physically to any significant extent (Nwagbara, 2016).

Middlemen as distributors: represent the dominating view on intermediaries in the marketing literature which takes a manufacturer's perspective. According to (Kotler, 2009) Middlemen are considered 'business firms that help the company find customers or close sales with them'. They hold inventories and 'push' the products, which are crucial marketing activities when speculation rules the game. The distributor role maintains the basic characteristic of the middleman as a trader but the emphasis shifts. In this case, the inputs are given, identified and provided through different manufacturers; therefore most distributors represent more than one manufacturer. The middleman is dependent on individual manufacturers for developing exchange relationships with customers, but many of the middlemen as distributors continue to fulfill the assortment function and serve several more or less differentiated manufacturers. (Kotler & Keller, 2009)

Middlemen as providers: In this case the logic of the middleman's business is derived from a customer/user perspective. In this view the middleman is part of the user's supply network, rather than a manufacturer's channel. Using Bucklin (1965), speculation is replaced by

postponement as the main business logic for the middleman and the whole market network. The “supply chain perspective” mirrors the changes in the allocation of the business functions in the overall network of market relationships. The current concern with supply chain management both in practice and theory indicates that the emergence of the middleman as a provider is not a marginal phenomenon and concerns numerous middleman businesses. Supply chain management perspective is not applicable only to the user- manufacturer but to user -tout court. This perspective of a middleman is not new-it has only been more or less obscured by the dominant paradigm of middleman as a distributor. The middleman here is considered not to be a hired link in a chain forged by a manufacturer, but rather an independent market, the focus of a large group of customers for whom he buys.

2.2 Concept of Economic Development

Economic development means different things to different people. On a broader scale, it is anything a community does to foster and create a healthy economy. From a public perspective, local economic development involves the allocation of limited resources land, labour, capital and entrepreneurship in a way that has a positive effect on the level of business activities, employment, income distribution patterns and fiscal solvency (Tamillia, 2018).

Ranis and Stewart (2015) posits that economic development is a concerted effort on the part of responsible government in a country, a state, or local community to influence the direction of private sector investment toward opportunities that can lead to sustained economic growth that can provide sufficient incomes for the local labour force, profitable business opportunities for employers and tax revenues for maintaining an infrastructure to support the continued growth.

Therefore economic development is the creation of wealth from which community benefits are realized. It is more than job program; it's an investment in growing an economy and enhancing the prosperity and quality of life for all residents. Local economic development can be enhanced through business creation, retention and expansion.

2.2.1 Contribution of Middlemen to Economic Development

Tamillia, R. (2018) noted that middlemen from their contacts, experience, specialization and scale of operation, offer a firm more than it can achieve on its own. As such contribute to the economic development in the following ways:

- i. They reduce the number of contacts between the manufacturers and consumers because one intermediary alone represents a large number of contacts. This further reduces the manufacturers' distribution costs.
- ii. They allow for specialization – established wholesalers and brokers have experience and knowledge in performing wholesaling functions, which may take a manufacturer sometime to acquire. They tend to know the local market better than the manufacturer because of proximity.
- iii. They are a good source of information - as they gather and distribute marketing research and intelligence information about actors and forces in the marketing environment needed for planning and aiding exchange.
- iv. They provide an effective and efficient matching – that is, they provide the shaping and fitting of the offer to the buyer's needs, including activities such as grading, assembling, and packaging.
- v. They provide the negotiation – reaching an agreement on price and other terms of the offer so that ownership or possession can be transferred.
- vi. They also provide the promotion – developing and spreading persuasive communications about an offer.
- vii. Buyers and sellers are often unwilling to assume the market risk for fear of a possible loss. It is the middlemen in the process chain who assumes the risks of theft, perishability and other potential hazards.
- viii. Middlemen render financial help to both producers and consumers of the good. These he does by making money in advances of supply of products from the producer and issuing goods on credit to the customers that they may pay in the future.

In general, they add value by bridging the major time, place, and possession gaps that separate goods and services from those that would use them.

2.3 Theoretical Framework

This study is anchored on theory of herding behaviour. According to the theory of herding behaviour (Lux, 1996), a large gathering of customers usually influences the buying behaviour of an ordinary consumer, who occupies incomplete information, and will tend to imitate others in buying. If an individual consumer saw others rush to purchase something in form of a good or service, he will believe that the commodity must be in short supply and be afraid of price skyrocketing. Accordingly, the customer will join in the panic buying, which will lead to real short of supply (Miao et al., 2011).

Having found out that, middlemen are the initiators in consumer decision making process, the study therefore assumes that wherever we observe a crowded seller in the market on most occasion that crowding is initiated by middlemen and customers feel(s) that a highly effective and honest middleman is the one that is most patronized by customers and his outlet is bound to be crowded at all times.

2.4 Empirical Review

The debate on the contribution of middlemen to the economic development has attracted a few attentions from researchers. This is evident in the number of empirical studies conducted from both developed and developing economies over the years.

In this regard, Oduor and Muthoka (2020) examined the effects of market intermediaries on organizational performance from 2015 – 2020, using the Gregory and Hansen testing approach to threshold co-integration. The study revealed that a major contributor to the activities of market intermediaries is the location and localization of production and distribution centers in Nigeria. Globally, most firms, companies and production centers are located in distant areas from the market centers. This is as a result of the rich variation in environments and demographic, agriculture, institutional, topographic, and climatic factors that have always provided a natural pattern or mechanism, thus necessitating occupational specializations and dictated economic inter-dependence within and outside an area. The empirical result shows a strong correlation of economic specialization along geographic and ethnic divides.

Samuel and Shuaibu(2017) extend the frontier of knowledge on macroeconomy nexus, by assessing the optimal middlemen participation indistribution of goods and services in Wukari Local Government in Taraba State from 2014 to 2017, viewed from the area of

unemployment and underemployment. In their observations, a fast growing population breed high incident of unemployment and disguised unemployment, as such market intermediation provided more employment opportunities to the labour force. The study employs regression analysis and the result revealed that formal sector of the economy employs very little percentage of the teaming youth in Nigeria due to inadequate employment opportunities in the country. Samuel & Ibrahim (2017) further noted that, there are a significant number of old women, widows and unmarried women/girls who are neither educated nor employed and in the quest to seeking for self-employment engaged in market intermediation especially facilitators genre to provide for their selves and their children. Therefore local markets consist of mainly middlemen that make up the Nigeria's retail industry which is a major driver of the economy, contributing significantly to GDP. The retail sector contributes approximately 18% to Nigeria's GDP (National Bureau of Statistics, 2023).

Furthermore, Jamil and Ahmad (2024) conducted study on agricultural intervention in market intermediation in Katsina State from 2014 to 2024, using ordinary least square and multiple regression to analyze the time series data, the result of the study revealed that increased participation in market intermediaries is as a result of neglect in agriculture. Agriculture constitutes the main economic base of the people and was the predominant occupation of Katsina State people. However, it is nowadays neglected by the people owing to non-mechanization, poor infrastructural development, inadequate loan facilities and incessant Fulani herdsmen attack on local farmers and banditry activities. These have been major constraints to agricultural development participation Malumfashi Local Government and impediment to development of Katsina State in general. The implication was exodus of rural dwellers to urban centers in search of livelihood and mostly resorts to market intermediation.

3. METHODOLOGY

The study adopted a survey research design with a total population of 4151 traders and the study used simple random sampling technique to select 364 traders from the total population which cut across the three markets drawn from the total population in Malumfashi Local Government Area, comprises of Dayi, Malumfashi and Mararaba Kankara. The sample size was determined using Taro Yamane's formula which is concerned with the application of the normal approximation with 95% confidence level and 5% sampling error percentage.

The formula is as follows:

$$n = \frac{N}{1+N(e)^2}$$

Where n= required sample size

N= The population Size

e = Margin of error (0.05)

$$n = \frac{4151}{1+4151(0.05)^2} \quad n = \frac{4151}{11.3775} \quad n = 365$$

To address the issue of low and invalid responses on the retrieval of the questionnaire, 20 percent has been added to the sample size in the production of the questionnaire making 438.

3.1 Data Collection and Procedure

The method used in gathering data was through the use of questionnaires, and where the respondents could not fill the questionnaire, oral interview was used to collect the necessary information. Close ended questionnaires were divided into two parts for administrative convenience; Part A and B. Part A is based on the demographic information of the respondent and part B which comprises of five-point rating scale questions ranging from Strongly Agree (5), Agree (4), Disagree (3), Strongly Disagree (2) and Undecided (1) seek to determine the role of middlemen on the economic development of Local markets in Malumfashi Local Government. A total of 438 questionnaires were distributed out in the respective market. Out of the questionnaires distributed, only 375 were dully filled, returned and found to be valid. Analysis was done based on the valid questionnaires.

4. RESULTS AND DISCUSSION

Data was presented using simple percentage based on the total number of the valid questionnaires retrieved from the respondents. The responses were presented using simple frequency tables and percentages to present the data on the characteristics of the respondents as well as the responses to the questions raised. The result was derived using regression and the Statistical package for Social Science analysis (SPSS) version 23 computation in testing the significant relationship between the independent variables and the dependent variable.

4.1 Characteristics of the Respondents

Table 4.1 Gender distribution

	Frequency	Percent	Cumulative percent
Male	314	84	84.00
Female	61	16	100.00
Total	375	100	

Source: Field Survey 2025.

Table 4.1 above presents the gender composition of the respondents which indicates that about 84% of the respondents are male while 16% of the remaining ones are females.

Table 4.2 Age distribution

	Frequency	Percent	Cumulative percent
20 – 30	70	19.00	19.00
31 – 40	140	37.00	56.00
41 - 50	100	27.00	83.00
51 and above	65	17.00	100.00
Total	375	100	

Source: Field Survey 2025.

The above table 4.2 presents the age range of the respondents which indicates that 19% of respondents are within the age range of 31-40 years, 37% are at 41-50 years, 27% are in class of 51 and above about 17% are 20-30 years. This indicates that matured youth are the dominant respondents of this research as they account for almost 90% percent of the respondents under consideration.

Table 4.3 Educational distribution

	Frequency	Percent	Cumulative percent
Formal	167	44.54	44.54
Non - formal	149	39.73	84.27
No Education	59	15.73	100.00
Total	375	100.00	

Source: Field Survey 2025.

The table above shows that about 84% of the respondents have acquired some form of formal or non-formal education and could understand the contents of the questionnaire. The remaining 15% that could not fill the questionnaire were interviewed accordingly.

Table 4.4 Middlemen as traders facilitate availability of goods and services in the market

Option	Frequency	Percent	Cumulative percent
Strongly agree	180	48.00	48.00
Agree	171	45.60	93.60
Disagree	14	3.73	97.33
Strongly disagree	10	2.67	100.00
Total	375	100.00	

Source: Field Survey 2025.

From the table above about 93% agreed that middlemen as traders adequately play the role of making available goods and services as in the market.

Table 4.5 Middlemen serve as providers of information to both producers and customers in the market

Option	Frequency	Percent	Cumulative percent
Strongly agree	189	50.40	50.40
Agree	162	43.20	93.60
Disagree	15	4.00	97.60
Strongly disagree	9	2.40	100.00
Undecided	0	0.00	
Total	375	100.00	

Source: Field Survey 2025.

From the table above more than 93% agreed that middlemen play significant role as providers of information and finances to both producers and customers in the markets.

Table 4.6: Middlemen serve as providers of finances to both producers and customers in the market

Option	Frequency	Percent	Cumulative percent
Strongly agree	159	42.40	42.40
Agree	182	48.53	90.93
Disagree	20	5.33	96.26
Strongly disagree	10	2.67	98.93
Undecided	4	1.07	100.00
Total	375	100.00	

Source: Field Survey 2025.

From the table above 90% of the respondents agreed that middlemen serve as providers of finances to both producers and customers in the market.

Table 4.7 Middlemen serve as sources of revenue to the Market Association and the Local Government

Option	Frequency	Percent	Cumulative percent
Strongly agree	220	58.67	58.67
Agree	135	36.00	94.67
Disagree	8	2.13	96.80
Strongly disagree	7	1.87	98.67
Undecided	5	1.33	100.00
Total	375	100.00	

Source: Field Survey 2025.

From the table above more than 90% agreed that middlemen serve as sources of revenue to the Market Association and the Local Government.

4.2 Test of Hypotheses

Two hypotheses were tested in consonance with the research objectives

H01: Middlemen do not play significant role in the development of local markets of Malumfashi Local Government Area in Katsina State.

Testing for Hypothesis 1 using Table 4.4 and Table 4.5

	Table 4.4	Table 4.5
Strongly agree	180	189
Agree	171	162
Disagree	14	15
Strongly disagree	10	9
Undecided	0	0
Total	375	375

Source: Field Survey 2025.

To determine the difference (df) at 0.01 level of significance Using the (R-1) (C-1)

The df = (5-1) (2-1) = (4) (1) = 4

Correlations		
	Table 4.4	Table 4.5
Table 4.4: Pearson Correlation	1	.929***
Sig. (2-tailed)		
N	375	
Table 4.5: Pearson Correlation	.929***	1
Sig. (2-tailed)	.000	
N	375	375

Source: SPSS computation ver. 23.

***Correlation is significant at the 0.01 level (2-tailed).

From the above SPSS computation, the Pearson correlation value of 0.929 is positively high; this implies that a positive relationship exists between table 4.4 and 4.5. From the p-value of 0.000 it can be drawn that this result reject the null hypothesis since the p-value is less than 0.05 ($p=0.000 < 0.05$). This rejection is supported with positively high correlation at 93%. Therefore, the study rejected the null hypothesis and accepts the alternative hypothesis that Middlemen play significant role in the development of local markets of Malumfashi Local Government Area in Katsina State.

Hypothesis Two

Ho2: Middlemen activities do not have any significant contribution to the economic development of Local markets in Malumfashi Local Government Area in Katsina State.

Testing for Hypothesis 2 using Table 4.6 and Table 4.7

	Table 4.6	Table 4.7
Strongly agree	159	220
Agree	182	135
Disagree	20	8
Strongly disagree	10	7
Undecided	4	5
Total	375	375

Source: Field Survey 2025.

$$Df = (5-1)(2-1) = (4)(1) = 4$$

Correlations		
	Table 4.6	Table 4.7
Table 4.6: Pearson Correlation	1	.868**
Sig. (2-tailed)		
N	375	
Table 4.7: Pearson Correlation	.868**	1
Sig. (2-tailed)	.000	
N	375	375

Source: SPSS computation ver. 23.

***Correlation is significant at the 0.01 level (2-tailed).

From the above SPSS computation, Pearson correlation value of 0.87 is positive; this implies that a positive relationship exists between table 4.5 and table 4.6. From the p-value of 0.000 it can be drawn that this result reject the null hypothesis since the p-value is less than 0.05 ($p=0.000 < 0.05$). This rejection is supported with positive high correlation at 87%. Therefore, the study rejected the null hypothesis and accepts the alternative that, middlemen activities contribute significantly to the economic development of local markets in Malumfashi Local Government Area in Katsina State.

4.3 Discussion of Findings

The socio economic characteristic of the respondents in the study area shows that they were between 18 -51 years and above, this signifies that all the respondents were within the productive age bracket. This is an indication that people in the area were provided employment through market inter-mediation. This is in line with the finding of Samuel & Shuaibu (2017), which opine that, apart from the young educated and able bodied men and women that are in hundreds of thousands, there are a significant number of old men and women, widows and unmarried men/girls who are neither educated nor employed and as such created employment through market intermediation in order to make ends meet, provide for themselves and their children.

In the test of hypothesis one, the SPSS results shows a positive correlation at 93% and the study rejected the null hypothesis and accepts the alternative hypothesis. From the analysis it was deduced that middlemen served as a bridge between customers and producers by providing varieties of economic goods and services to the market that informed consumers purchase decision, provide information to the producers about market situation, provide credit

facilities to the customers and finances the producers. Therefore their services play a significant role in the development of local markets of Malumfashi Local Government Area in Katsina State.

From the test of hypothesis two, it was also found out that the result rejected the null hypothesis supported with positive high correlation at 87%. As such the alternative hypothesis accepted which proved contributesignificantlyto the economic growth and development of Malumfashi Local Government, through provision of jobs, means of livelihood to a number of people as well as provision of internally generated revenue for the development and expansion of the market.

5. CONCLUSION AND RECOMMENDATIONS

The study concluded that, middlemen are doing a great job by taking up the responsibility of bridging the gap that exists between the manufacturers and consumers, on the users of a new product, generating revenue for the development of the market as well as the local government. Despite their unethical practices, still, their services are greatly and highly required and cannot warrant their being eliminated in the flow of goods and service.

Based on the findings from the study, the following recommendations were made.

1. Middlemen are engaged in all business spheres across the study area; therefore, diversification and strengthening of their activities is highly recommended, thereby developing a vibrant value chain that will attract investments in such activities. Middlemen should have access to viable credit facilities that would enhance their business in order to improve their income and variety of products in their stores and warehouses.
2. Since the middlemen contribute to the IGR of the Local Government, it should endeavor to provide facilities and services such as security, additional stalls where inadequate, parking spaces, power and water supply and effective market administration. The law enforcement agency and market administration should put more effort in preventing corrupt officers from extorting the middlemen in the name of taxes and market levies. This will increase participation in the vocation and create more employment for the masses in the Local Government.

Future researches should therefore examine the efficacy or otherwise of the market middlemen. This could be done by comparing transactions that the middlemen conducted and others that were not conducted by the same persons with a view to measure the impacts at comparative level. There is also the need to further explore efficacy of the various techniques, methods, tactics, and strategies the middlemen adopt in networking including identifying, mediating and conducting transactions, the role they play when commercial relationship break up, conditions attached to their services and many more.

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