

*Full Length Research Paper*

# Periodic market, a common marketing feature in Akoko Southwest

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Accepted 26 November, 2010

**Periodic marketing and periodic market places are most corporately viewed as traditional activities and practices. It was and is still regarded in some societies as being traditional. This study attempt is to examine the characteristics of some major markets in Akoko SouthWest Local Governmen00t, with a view to assessing how both the buyer and sellers patronize those markets and identifying the interval between market days. Data were collected from primary and secondary sources. Questionnaires were administered to both buyers and sellers on market days. The empirical findings indicate that periodic market is a major feature of most markets in this area and has played valuable role in the development of the agrarian community and their neighbouring towns. Maximum range that is the distance consumer is ready to travel to buy a good and minimum range which is the threshold population required to sustain a trader justify the reason for market periodicity.**

**Key words:** Periodic market, meeting days, proximity in space.

## INTRODUCTION

A market is a place where the distribution of goods and services (tertiary activities) take place. Marketing can therefore be described as a transaction of goods and services at a given time, place and pricing system. Marketing has always been in existence even before the advert of money when trade by barter was being used as a way of exchange it had revolved round marketing. Marketing is the backbone of economic activities, it is involved in different stages of production and making the final products reach the consumers. It can also be described as the direct flow of goods and services from producers to the users in such a way that the utility in time, place and ownership is enhanced.

Alao (1988) view markets as meeting places of consumers, producers, sellers and collectors. This implies to him that markets operators consist of both local and outsiders. A market according to Hodder (1969) is an authorized public gathering of buyers and sellers of commodities meeting at appointed place at regular interval. A market is described as being atomistic, open, and rational (Bromley, 1975) Atomistic implies that there are a large number of independent small scale buyers

and sellers as many as wish to attend the market. Free means that prices are fixed by supply and demand forces and not by any external authority. Rational implies that all participants have profit maximization in mind. These four condition are however rarely fulfilled in the market place, they do however, provide a yardstick against which the nature of individual markets can be measured. Markets are mostly classified on the basis of their periodicity. They can be divided into three classes; daily markets, special markets, and periodic markets. Daily markets are the characteristic of the major markets centers. These markets can both be day and night markets. These types of markets are mostly characteristic of urban markets and can be sited all over the towns and cities. Special markets often take place at annual festivals example Christmas and Easter fair, it can also take place once in a couple or more years like state trade fair (some of these trade fair take place annually example Lagos and Kaduna trade fair etc. Periodic markets take place regularly on one or more fix days each week or month and are characteristics of smaller markets centers.

Periodic markets are mostly rural because wherever we have periodic markets in urban centers these markets also act as daily ones. For example Ibaka market in Akungba-Akoko which is still used as periodic market is also a daily market; the only difference is that there will

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be more people from different Villages and Towns and a variety of goods on a market day. Rural periodic market came into being as a result of the organization of rural markets. Periodic market in the various towns and villages are as old as the settlement. Some markets are located in the vicinity of the palace such as Oka and Oba market, while some are strategically located in the centre of the community like Iwaro and Supare, others are sited on neighbourhood basis as in Akungba. Historically, it is not easy to know the exact date and when these periodic markets came into being, because a lot of factors are responsible for emergence of market in rural areas. When periodic markets first originated, exchange of goods required a mutually convenient time and place and one party or both had to travel to a common place to trade. The time and place for commercial gathering had to be standardized because potentials trade and consumers had to know where and when to meet.

### Study area

Akoko SouthWest Local Government is located in the North Senatorial District of Ondo State in a land area of 796 km<sup>2</sup> (307 square miles). It lies between latitude 7° 31'N of the equator and longitude 5° 30' E of the Greenwich Meridian (GMT). It is bounded by Emure Local Government Area of Ekiti State on the West and on the East by Akoko South East Local Government Area of Ondo State. It is also bounded by Akoko North East Local Government Area in the North and in the south by Owo and Ose Local Government Area of the state. Akoko SouthWest is situated in the western upland areas of Nigeria, which is characterized by rough topography with various heights of high lands and rocks. The topography of the area is rugged albeit, there are winding spaces for the construction of access roads. There are also stretch of ridges, these ridges form a watershed; hence the presence of streams and river which drain the area. The soil of the study area is of ferruginous type. Despite the volume of precipitation in the area, the soil retained adequate moisture and unlike other tropical region, comprises multitude of various specie of ever-green trees. These yield tropical hardwood such as mahogany, Iroko, Afara among others. The vegetation is of distinct arrangement with tall trees of about 60m in height stand to the sky, while the smaller follow and the herbaceous plants which can tolerate shade are found below. However because of the shifting cultivation practiced by the people of the area, most of the big trees have given way to derived savanna.

The inhabitants of the study area are mostly Yoruba's. The study areas belongs to the class of rural areas of Ondo state and as such it is affected by push factors of human migration which make the adults to move out to scout for better jobs. The recent population figure in each of the towns include: Oka (95,202), Akungba (21,200), Ikun (5,002), Supare (18,500) and Oba (4,554) according to the population census of 2006. Every region of the

world is characterized by one form of occupation from another, depending on the environment. This is in line with environmental determinism. Therefore Akoko South-West Local Government is located within the tropics and was grouped as a rural area. They engaged predominantly in primary activities such as exploitation of the forest. Precisely, a large percentage of the population engaged in farming as their major occupation while few engaged in tertiary activities like trading teaching and artisans etc.

The farmers grow both cash and food crops such as cocoa, kola nut, yam, cassava etc. More so the people in the study area are agrarian people and because of the nature of their job and population they cannot practice daily market hence the need for periodic market.

### METHODOLOGY

This study addressed the following questions: what promoted periodic markets in rural areas? Why do some sellers move round those markets? and what are the intervals between these markets days? In the quest for a comprehensive understanding these questions influenced the study methodology. The data used for this study were obtained from both primary and secondary sources. The study adopts descriptive analysis and relied mostly on secondary data. However primary data were obtained through the use of questionnaire administered to respondents (both sellers and buyers) on market days.

The first stage in the collection of primary data involve the reconnaissance survey of the study area, this is to enhance familiarization and also facilitates the easy administration of questionnaire. The second stage involves oral interview and administration of questionnaire. Some of the information gotten were demography characteristics' of respondents, types of goods sold in those markets and patronages another to ensure an all round representation, six markets in the local government was covered. Twenty questionnaires were administered in each of the markets making a total of one hundred and twenty questionnaires.

The simple random sampling was used in the choice of individual respondents of the study. Most of the information gotten through the questionnaire validates the empirical theory of periodic marketing earlier discussed. Data analysis was first carried out on the in-depth interview and case studies. Then qualitative data were analyzed using manual content analysis.

### The theory of periodic markets/periodic marketing

Contribution to the theory of periodic markets and mobile trading can be placed in either an economic or a non-economic tradition. The non-economic emphasis tends to view periodic marketing as a social phenomenon (Tinkler, 1973). This is supported by Bromley and Good (1977) that markets are held periodically to coincide with existing periodic institution and that local traders and consumers who are usually producers could not go to market at anytime but have chosen to trade on a traditional rest day or on a day when they were accustomed to converge upon a central place for social and religious activities or to hear proclamations and pay tribute to or receive alms from local authorities. The economic tradition includes two distinct themes, the one steaming from a central place theory interpretation of periodic marketing, the other from the location theory. In both of these, periodic markets and marketing are distinctively economic phenomena (with a concern for exchange for profit rational economic behavior).

This is also noted by Hay (1971) that the decision to adopt

periodic marketing may have one of three intentions: to achieve viability, to increase excess profits and to lower retail prices or raise producer prices as a move to forestall competition. According to Hay (1971) periodic marketing" is an attempt to achieve these aims by reducing the total over head costs which must be covered at a single market place.

The first attempt at a theory of periodic markets was contributed by Stine (1969) (using the Korean markets). He analyzed periodic markets in terms of central place theory and specifically in terms of minimum and maximum ranges. He then analyzed the distance people are ready to go to obtain a good, how settlements are distributed over space and the tributary or market area, the bigger the settlement, the more the tributary area, but will have area of smaller, tributary nesting within that of a bigger settlement. The minimum range of goods indicates the radius of a circle encompassing the level of demand actually required for a firm to realize profit from offering a central good. The maximum range represents the farthest distance dispersed consumers are willing to travel to purchase a good at a central place. Stine argue that when the maximum range of a good is greater than or equal to the minimum range the firm will survive and be immobile (fixed). By contrast if the minimum range of a good is greater than the maximum distance a consumer is willing to travel the firm will either die out, become periodic but remain spatially fixed or become spatially mobile and move among a given series of location (market sites) according to a re-established temporal pattern. Furthermore as the degree of mobility increases the difference between these two ranges become greater. The outcome is a mechanism that intensifies exchange in place and time there enabling traders and marketers to attain minimum range (that is survival threshold) for their products.

Stine argues that the two ranges vary with income density, elasticity of demand and transport cost. Berry also arrived at the same conclusion and said that markets are open only once every few days because the per capital demand for the goods sold in the market is low and high transport limit the extent of the market and the aggregate demand is therefore insufficient to support permanent sellers. For the consumers also marketing periodicity lessens the physical distance between him and the goods and services he desires. He is able to (according to Stine) "free himself from the discipline of space (costly transport) by submitting to the discipline of time. The issue of transportation is also important because if the cost of purchasing a good is included with transportation as the cost increases there will be a situation whereby people will not want to purchase in the area again, there will have to be an alternative good or another location where goods can be purchased without additional transport cost. A trader that wants to sell more than his competitor must not, therefore let his price exceed his competitors even after the transport cost has been added (Hotelling theory, Hotelling, 1929).

Apart from Stine's theory, rural markets are also periodic because it is labour intensive there might not be enough goods to sell if the markets were to meet everyday. Also it is characterized by low level of specialization; individuals generally perform the role of producing and marketing. In this case time is needed for them to be able to perform both functions. Abayomi (2008) added that in many rural areas of Ondo State the common type of market is the periodic markets which specializes in the subsistence goods trading. This is to enable households goods get to individual on periodic basis usually every four days.

### **Theoretical implication**

#### ***Marketing function of towns and rural centers***

Generally speaking urban centers provide marketing functions not to only people in it but also to those in other surrounding rural centers and other smaller towns. Usually the location and function

of cities are not by chance occurrence. Rather where a city is located and the function it performs are influenced by the demand for such function. On the basis of this demand cities can be grouped into four classes. These are those that respond to institutional requirement, resource sites, transportation and territory. Marketing functions fall under the territory requirement.

This requirement is made up of cities that serve the needs for goods and services of a surrounding territory. The principles guiding the location of rural center are similar to those of urban centers. Thus it is possible for us to say some respond to administration and others to transportation. Nevertheless, in terms of response to territory, the most difference between urban markets and rural ones is that while the former are daily, the latter are periodic. The principle of the location of such cities and their functions led to the central place theory.

### **The central place theory**

Much of the analysis of marketing functions of cities may be said to be rooted in this theory. The theory postulated by Walter Christaller made some assumptions. Based on these assumptions Christaller believes that an urban centre exists mainly to provide goods and services for the surrounding areas. Such centers are usually located at the point of minimum aggregate travel of the tributary area and are hence called "central places" the tributary area which is assumed to be hexagonal in shape (six-sided polygon) varies in size according to how large the central place is. The larger the central place the more extensive its tributary area is. In addition higher-order center provide more goods and services than lower order ones.

## **RESULTS AND DISCUSSION**

Based on the analysis of the questionnaire administered to respondents some observations were made and discussed as follows: On the sex representative at those markets, female made 66.7% of the sample population and male 33.3%. This is quite acceptable because in most markets especially in Western-Nigeria women usually dominate the highest population while the men are mostly seen in services like cobbler, meat seller etc. The occupational status shows that out of one hundred and twenty respondents the civil servant are 10% however some of these civil servant indicated that they have shop/stall at the markets. Trader/business men or women carry the highest number of 40%, Farmers are 21.7% this figure indicate that being an agrarian community the people still practice farming activities during the days that are not market day and they brought their market products. The number of respondents for students is 21.7% apprentice denotes 4.2% while others are 2.5%.

Goods brought to markets are mostly foods crops like yams, cassava and vegetables etc. This dominate the highest percentage of 35.5% followed by manufactured goods which is made up of 29.0% cash crops like cocoa, kolanut and coffee are also seen occasionally most especially during their season this is made up of 23.7% while services made the remaining 11.8%. The preferential opinion of the respondents in the patronization of these markets was also considered. About 42.5% of the respondents patronize these markets due to nearness to

their homes while 55.8% give reason of their patronage as a large population/availability of all kind of goods while the remaining 1.9% were indifferent they patronize any markets available as their needs arise.

## EMPIRICAL FINDINGS AND BASIS FOR PERIODIC MARKETS

For the purpose of these findings six markets (Ibaka, Okusa, Iwaro, Oke-Oka, Oba and Supare) all located in Akoko SouthWest region were chosen. It was intended to validate the working hypothesis stated by Stine that one, there is proximity of market meeting in space and time and the other is that proximity in space implies separation in time. Questionnaire copies were served on both sellers and buyers on each market days and responses were collated in order to validate the working hypothesis and verify if Stine theory of periodic markets is applicable in the study area. The questionnaire among other information solicited for sought to know the interval between the markets days. The responses gotten prove that the spatial integration of these markets systems usually includes some form of temporal synchronization. This take the form of market rings in many areas. Market rings are not always independent units they frequently overlap so that some markets are part of two or even three different rings. The marketing situation minimizes competition between market location and it conveniences persons wishing to visit several markets. The sequences of market locations in a ring are know as the pattern of market shift. For example Iwaro is located very close to Oke-Oka when Iwaro meet today, Oke-Oka meet the following day.

The first hypothesis that there is proximity of market meetings in space and time, means that when there is a given area with various markets, the closer the markets are the nearer these meeting days. The transport cost of trader moving his goods from one market to another is less and the effort used in conveying both himself and his goods is also less. The second hypothesis is that proximity in space implies separation in time. This means that the inverse spatio-temporal relationship would hold for all categories of temporal spacing, thus locational spacing of adjacent day market places should be greater than for markets meeting one day apart. A typical example of this hypothesis is the rural periodic market days in Yoruba land. These according to Hodder (1969) operate on a ring system. Each ring being composed of a complete and integrated sequence of markets taking place over period of four or five days. For example if Ibaka market located in Akungba meet on Monday, the next market day for Ibaka will be on Friday which is five days interval in between these days Okusa market also in Akungba would have met. These meeting days validate the second hypothesis. Another observation is that some markets can afford to meet the same day because of separation

in distance. For example, the meeting days of Ibaka market in Akungba take place concomitantly with that of Supare. The same applies to Okusa market, Iwaro market and Oba market meetings days are always the same day.

In conclusion, all the markets in the local government engaged in five days interval market operation in all the nooks and crannies of the local government on rotational basis. However the size of these markets available goods and services and patronage of these markets depends largely on the threshold population in one hand and the clashing of markets days with neighbouring towns on the other hand. However some of these periodic markets serve as daily markets but the population of markets days is always more than that of ordinary day. Also as the basis economic model system says that periodic marketing of frequently consumed goods will be replaced by permanent shops or daily markets where there is a high density of demand and low function of distance. The transition of periodic market into daily markets may not be strictly true because "even though the theory of periodic marketing is as yet incomplete it is clear that through this institution goods and services are available over large areas and to move people at less cost than if the net work of location at which exchange activities occurred was spatially fixed" Smith (1980).

Also people in periodic marketing systems have more convenient access to market-place opportunities and travel effort, monetary cost or waiting time is reduced thereby there are both efficiency and welfare aspects. Periodic market-place therefore, were and will continue to be useful to the economy because of its most obvious feature which is the large numbers of different types of users to be found in them.

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