
Wholesale and Retail Management of Small Medium Enterprises (SMEs) in Modern Commerce

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Abstract: *This study examined the role of wholesale and retail management in enhancing the performance and sustainability of Small and Medium Enterprises (SMEs) in modern commerce. The increasing complexity of business environments, driven by globalization, technological innovation, changing consumer preferences, and the expansion of e-commerce, has transformed the operational activities of SMEs in both wholesale and retail sectors. The study aimed to evaluate the effectiveness of wholesale and retail management practices among SMEs, identify the challenges confronting SMEs in modern commerce, and determine the relationship between efficient management practices and organizational performance. A descriptive survey research design was adopted for the study. Data were collected through structured questionnaires administered to SME owners, managers, wholesalers, retailers, and employees. The study employed both primary and secondary sources of data, while simple random sampling techniques were used in selecting respondents. Descriptive and inferential statistical tools were utilized for data analysis. Findings from the study revealed that effective inventory management, customer relationship management, digital marketing, efficient supply chain systems, and adoption of technology significantly improve the performance and competitiveness of SMEs. However, SMEs continue to face challenges such as inadequate financing, poor infrastructure, fluctuating market demand, and limited technological expertise. The study*

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concluded that efficient wholesale and retail management practices are essential for the growth, profitability, and sustainability of SMEs in modern commerce. The study recommended that SMEs should adopt modern technological tools, improve supply chain coordination, and strengthen customer service strategies to remain competitive in contemporary markets.

Keywords: wholesale management, retail management, supply chain, distribution systems, customer satisfaction, innovation, inventory management, technology adoption, SMEs, Nigeria.

INTRODUCTION

Wholesale and retail management constitute essential components of modern commerce, particularly in the operations and growth of Small and Medium Enterprises (SMEs). SMEs play a significant role in economic development through employment generation, income creation, poverty reduction, and industrial growth (Adebayo, 2024). In developing economies such as Nigeria, SMEs contribute substantially to Gross Domestic Product (GDP) and economic diversification. Wholesale and retail activities serve as important channels through which goods and services are distributed from producers to final consumers. Wholesale management involves the bulk purchasing of goods from manufacturers and distributing them to retailers or institutional buyers, while retail management focuses on selling goods and services directly to final consumers in smaller quantities (Adeyemi & Salami, 2022; Ailawadi & Farris, 2017). In modern commerce, both wholesale and retail management have undergone major transformations due to technological advancements, globalization, increased competition, and changing consumer behavior (Bowersox et al, 2020; Berman & Evans, 2018). The emergence of e-commerce platforms, digital payment systems, automated inventory management and data-driven marketing strategies has significantly altered the traditional methods of conducting wholesale and retail business operations (Iderson, 1999; Chandler, 1996). SMEs operating within the wholesale and retail sectors are increasingly required to adopt innovative management strategies to survive and remain competitive (Ibahim et al, 2021; Brown, 2020). Effective wholesale and retail management involves activities such as inventory control, pricing strategies, customer relationship management, merchandising, logistics coordination, and supply chain integration. These managerial functions are critical in ensuring customer satisfaction, operational efficiency, profitability, and business sustainability (Fermie & Sparky, 2019; Chen & Paulraj, 2020). Despite the importance of SMEs in modern commerce, many SMEs encounter numerous operational and managerial challenges. These challenges include inadequate access to finance, poor transportation and logistics systems, inconsistent government policies, technological limitations, weak supply chain networks, and intense market competition (Coughlan et al, 2006; Ingene, 2014; Grewal et al, 2018; Rollander, 2018). Additionally, the rapid growth of online commerce has compelled traditional wholesalers and retailers to adopt digital business models to meet evolving customer expectations (Kotler & Keller, 2021; Okeke & Eze, 2023). The success of SMEs in modern commerce therefore depends largely on their ability to effectively manage wholesale and retail operations while adapting to changes in the business

Publication of the European Centre for Research Training and Development-UK environment. Consequently, this study seeks to examine wholesale and retail management practices among SMEs, evaluate their contributions to business performance and identify the major challenges affecting SMEs in modern commerce.

Statement of the Problem

The wholesale and retail sectors have experienced significant transformation in recent years due to technological advancement, globalization, digital commerce, and changing consumer preferences. These changes have created both opportunities and challenges for SMEs operating in modern commerce (Luo & CheRose, 2025; Okeke & Eze, 2023). Although SMEs contribute significantly to economic development, employment generation and distribution of goods and services, many SMEs continue to struggle with effective wholesale and retail management practices. One major problem confronting SMEs is the inability to effectively manage inventory, supply chains and customer relationships in an increasingly competitive business environment (Kumar & Remartz, 2016). Poor inventory management often leads to stock shortages, overstocking, wastage and reduced profitability. Similarly, weak distribution and logistics systems negatively affect timely delivery of goods and customer satisfaction (Levy & Weitz, 2019). Another critical issue is the limited adoption of modern technological tools such as e-commerce platforms, digital marketing systems, electronic payment solutions, and automated retail management systems. Many SMEs lack the financial capacity and technical expertise required to integrate these technologies into their operations, thereby reducing their competitiveness in modern commerce (Quinn & Sparks, 2007; Rosenbloom, 2013). Furthermore, SMEs face challenges related to inadequate access to finance, unstable economic conditions, poor infrastructure, fluctuating consumer demand, and inconsistent government policies. These factors hinder the growth and sustainability of wholesale and retail businesses (Roth & Klein, 2021). In addition, intense competition from large retail chains and online marketplaces has made it increasingly difficult for SMEs to maintain market share and profitability. Despite several studies on SMEs and commerce, limited attention has been given to the combined role of wholesale and retail management in enhancing SME performance in modern commerce. Therefore, this study seeks to investigate the effectiveness of wholesale and retail management practices among SMEs, identify the major challenges confronting them, and examine how these practices influence organizational performance and sustainability.

Objectives of the Study

The general objective of the study is to examine wholesale and retail management of small medium enterprises in modern commerce. The specific objectives of the study are to:

- i)examine the roles of wholesale and retail management of SMEs in modern commerce;
- ii)evaluate the impact of technological advancement on wholesale and retail operations of SMEs;
- iii)identify the challenges facing wholesale and retail businesses of SMEs in modern commerce;
- iv)examine the effect of inventory management and customer service on operational efficiency;

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v) ascertain the effect of wholesale / retail management practices on the operational performance of SMEs in modern commerce

Research Questions

The following research questions are raised to guide the conduct of the study.

- i)What are the major roles of wholesale and retail management in modern commerce?
- ii)How has technological advancement affected wholesale and retail operations?
- iii)What are the major challenges facing wholesale and retail businesses in modern commerce?
- iv)How do inventory management and customer service affect operational efficiency of SMEs? ?
- v) How do wholesale / retail management practices affect operational performance of SMEs in modern commerce?

Research Hypotheses

The following null hypotheses (H_0) are tested in the study:

Hypothesis One

H01: Technological advancement has no significant effect on wholesale and retail operations.

Hypothesis Two

H02: Inventory management and Customer service have no significant effect on wholesale and retail operational efficiency.

Hypothesis Three.

H03: Wholesale/Retail management practices have no significant effect on operational performance of SMEs in modern commerce

Significance of the Study

The study is significant in several academic, managerial, economic, and societal dimensions. Its importance can be discussed as follows:

1Contribution to Academic Knowledge

The study contributes to the growing body of knowledge in marketing, commerce, business administration, and supply chain management. It provides theoretical and practical insights into how wholesale and retail activities influence modern commercial systems. The research also serves as a reference material for students, lecturers, researchers, and scholars interested in distribution management and commercial operations.

2. Importance to Business Organizations

The study helps wholesalers and retailers understand modern management practices required for effective business operations. It highlights strategies for improving inventory management , Customer service, Pricing decisions ,Product distribution Sales performance ,Supply chain coordination. Through this understanding, business organizations can improve efficiency, profitability, and competitiveness in the marketplace.

3. Relevance to Modern Commerce

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Modern commerce has become highly dynamic due to globalization, digital transformation, e-commerce, and changing consumer behavior. The study explains how wholesale and retail management adapt to these changes through technology adoption, omnichannel retailing, data-driven decision making, automated logistics systems and online and offline integration. This helps businesses remain relevant and responsive to market trends.

4. Assistance to Policy Makers and Government

The findings of the study can assist government agencies and policymakers in formulating policies that enhance commercial development, trade regulation, and consumer protection. It also provides useful information for improving distribution systems, market accessibility, small business support programs and trade and commerce regulations.

5. Enhancement of Consumer Satisfaction

The study is significant because it emphasizes customer-oriented management practices. Efficient wholesale and retail management ensures that consumers receive quality products, affordable prices, timely delivery, better shopping experiences and improved after-sales services. This ultimately increases customer satisfaction and loyalty.

6. Support for Economic Development

Wholesale and retail sectors contribute significantly to employment generation, revenue creation, and economic growth. The study demonstrates how effective management of these sectors can stimulate economic activities, improve market distribution networks, encourage entrepreneurship, increase business sustainability and promote industrial growth. In developing economies such as Nigeria, this study is particularly important because commerce remains a major driver of national development.

7. Significance to Entrepreneurs and SMEs

The study provides practical guidance for entrepreneurs, small-scale retailers, and wholesale distributors on how to manage business operations effectively. It helps them understand market trends, consumer preferences, competitive strategies, risk management and digital marketing opportunities. This knowledge improves business survival and long-term growth.

8. Technological and Innovation Relevance

The study examines the impact of technology in modern wholesale and retail operations, including artificial Intelligence (AI), point-of-sale systems, inventory software, e-commerce platforms and digital payment systems. Understanding these innovations helps businesses modernize operations and improve efficiency.

9. Basis for Future Research

The study provides a foundation for future research in areas such as digital retail transformation, consumer buying behavior, supply chain innovation, sustainable retailing and global distribution systems. Researchers can build upon the findings to investigate emerging trends in commerce and business management.

10. Improvement of Distribution Efficiency

Efficient wholesale and retail management improves the movement of goods from producers to final consumers. The study therefore contributes to better channel coordination, logistics planning,

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warehousing systems, transportation management and demand forecasting This reduces operational costs and minimizes product shortages or excess inventory

LITERATURE REVIEW

Concept of Wholesale Management

Wholesale management involves the procurement of goods in large quantities from manufacturers and their redistribution to retailers or other intermediaries. According to recent studies, wholesalers serve as critical intermediaries that reduce transaction costs and ensure efficient product distribution (Adeyemi & Salami, 2022). Wholesalers perform essential functions such as bulk breaking, warehousing, financing, and risk-bearing. They also provide market information to manufacturers, helping them adjust production to market demand.

Concept of Retail Management

Retail management focuses on selling goods and services directly to final consumers. It involves activities such as merchandising, customer service, pricing, and store operations. Retailers play a vital role in influencing consumer purchasing decisions and enhancing customer satisfaction. Recent research highlights the growing importance of customer experience, digital retailing, and Omni channel strategies in retail management (Okeke & Eze, 2023)

Evolution of Wholesale and Retail Management

The evolution of wholesale and retail management is a long, dynamic process shaped by economic development, technological innovation, and changing consumer behavior. It can be traced through distinct historical phases (Manioudis & Meramreliotakis, 2023; Adebayo, 2024; Luo & CheRose, 2025).

1.Barter System and Early Trade (Pre-Industrial Era)

In the earliest stage, trade was based on the barter system, where goods and services were exchanged directly without money. There were no formal wholesalers or retailers. Producers sold directly to consumers. Trade occurred in local markets and village squares. Long-distance trade (e.g., trans-Saharan routes) introduced intermediaries, who acted as early forms of wholesalers. Limitations such as lack of standard pricing and double coincidence of wants made trade inefficient. During the medieval period, trade expanded across regions, and merchant middlemen emerged. Wholesalers began buying in bulk from producers and selling to smaller traders. Retailers sold goods directly to final consumers in marketplaces. Trade guilds regulated quality, pricing, and entry into trade. Development of trade routes (e.g., Silk Road) enhanced large-scale distribution. In the earliest stage, trade was based on the barter system, where goods and services were exchanged directly without money. There were no formal wholesalers or retailers. Producers sold directly to consumers. Trade occurred in local markets and village squares. Long-distance

Publication of the European Centre for Research Training and Development-UK trade (e.g., trans-Saharan routes) introduced intermediaries, who acted as early forms of wholesalers. Limitations such as lack of standard pricing and double coincidence of wants made trade inefficient.

2. Emergence of Merchant Intermediaries (Medieval Period)

During the medieval period, trade expanded across regions, and merchant middlemen emerged. Wholesalers began buying in bulk from producers and selling to smaller traders. Retailers sold goods directly to final consumers in marketplaces. Trade guilds regulated quality, pricing, and entry into trade. Development of trade routes (e.g., Silk Road) enhanced large-scale distribution.

3. Industrial Revolution (18th–19th Century).

The Industrial Revolution marked a major turning point. Mass production created surplus goods requiring organized distribution. Emergence of structured wholesale systems (warehouses, bulk distribution). Growth of department stores and organized retail outlets. Improvements in transportation (railways, steamships) expanded markets. Separation between producers, wholesalers, and retailers became more defined.

4. Early 20th Century: Organized Retail Expansion

Retail and wholesale management became more structured and strategic. Rise of chain stores and supermarkets. Development of mail-order retailing (catalog sales). Wholesalers played key roles in supplying growing urban populations. Introduction of branding and advertising. Scientific management principles improved inventory and distribution.

5. Post-World War II Era (Mass Consumption Age)

After World War II, economic growth transformed retail and wholesale systems. Emergence of shopping malls and hypermarkets. Increased consumer purchasing power led to mass consumption. Development of modern logistics and supply chains. Wholesalers began specializing (e.g., food, electronics). Introduction of self-service retail formats.

6. Late 20th Century: Technological Advancement

Technology started reshaping wholesale and retail management. Introduction of barcode systems and POS (Point of Sale). Computerized inventory management systems. Growth of large retail chains and global sourcing. Emergence of early e-commerce platforms in the 1990s. Reduced dependence on traditional wholesalers as retailers began sourcing directly.

7. 21st Century: Digital and Omni-Channel Retailing

Modern wholesale and retail management is driven by digital transformation. Rise of e-commerce platforms like Amazon and Alibaba. Growth of omni-channel retailing (online + offline integration). Use of data analytics and AI for demand forecasting. Development of automated

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warehouses and smart logistics. Increasing role of direct-to-consumer (D2C) models. Shift toward customer-centric strategies and personalization.

8. Contemporary Trends (2020s and Beyond)

The current phase reflects rapid innovation and adaptation. Adoption of AI, robotics, and block chain in supply chains. Growth of cashless payments and fintech solutions. Emphasis on sustainability and ethical sourcing. Expansion of quick commerce (same-day delivery). Increasing competition between traditional retailers and digital platforms. The evolution of wholesale and retail management shows a clear progression (Roth & Klein, 2021): From simple direct exchange to structured intermediary systems to mass distribution and organized retail to technology-driven, customer-focused ecosystems. Today, the boundaries between wholesalers and retailers are increasingly blurred, with businesses adopting hybrid across these references,

The evolution of wholesale and retail management is driven by (Bowersox et al, 2020; Grewal et al, 2018).

1. Technological Change (E-commerce, AI) .

Technological change refers to the adoption of new digital tools and systems that transform how businesses operate and deliver value.. E-commerce involves buying and selling goods/services online through platforms and apps to enable 24/7 sales, wider market reach, and reduced need for physical stores. Artificial Intelligence (AI) is the use of machines to perform tasks requiring human intelligence (e.g., data analysis, chatbots, and recommendation systems). It improves decision-making, customer personalization, demand forecasting, and automation. Its impact is that it ensures faster transactions and improves customer experience, lowers operational costs and increases competition globally

2. Consumer Behavior Shifts.

Consumer behavior shifts refer to changes in how, why, and where consumers purchase goods and services. The key changes include increased preference for online shopping , demand for convenience and speed, greater awareness of quality, price, and sustainability and influence of social media and digital reviews. Its impact is that businesses must adopt customer-focused strategies, rise of personalized marketing and Omni channel retailing and higher expectations for service quality

3. Supply Chain and Logistics Innovation

This refers to improvements in how goods are produced, stored, and delivered using new technologies and methods. Examples are automation((use of robots in warehouses), real-time tracking (GPS and digital monitoring systems), blockchain (enhances transparency and security)and last-mile delivery innovations (Drones, bike delivery, smart routing). Its impact is that it ensures faster delivery time, reduces costs and errors and improved inventory management

4. Urbanization and Spatial Dynamics

Urbanization is the movement of people from rural areas to cities while spatial dynamics refers to how location and geography influence business activities. The key aspects of urbanization and spatial dynamics is that growth of cities increases demand for goods and services, businesses must consider location strategy (e.g., warehouses, retail outlets) and urban congestion affects distribution and delivery efficiency. Its impact is that it causes expansion of urban markets, higher logistics costs in crowded cities and development of regional distribution hubs

5. Competitive and Institutional Change.

This refers to changes in the business environment caused by competition and formal rules (laws, policies, institutions). Competitive changes results to entry of new firms (local and global) Increase in innovation and pricing pressure and growth of digital competitors while institutional changes bring about government regulations and policies, trade laws and economic reforms and industry standards and compliance requirements. Its impact is that businesses must adapt to remain competitive, need for compliance with laws and regulations and encourages innovation and efficiency All these factors are interconnected—technology drives consumer behavior, which influences logistics, while urbanization and regulations shape how businesses compete and operate.

Theories of Wholesale and Retail Management

(a) Wheel of Retailing Theory

Proposed by Kumar and Remartz (2016), this theory explains that retail firms typically begin as low-cost, low-margin operators, then gradually upgrade their services, facilities, and prices. Over time, they become vulnerable to new low-cost entrants, creating a continuous cycle of retail evolution.

(b) Retail Accordion Theory

This theory suggests that retail institutions oscillate between general merchandise (wide assortment) and specialized merchandise (narrow assortment). It explains how retail formats expand and contract product lines based on consumer demand and competition.

(c) Conflict Theory in Distribution Channels

This theory emphasizes competition and conflict among wholesalers, retailers, and producers. It explains how power struggles and market forces lead to innovation and structural changes in distribution systems.

(d) Environmental Theory

Retail and wholesale systems evolve due to external environmental factors such as technological changes, economic conditions and social and cultural shifts. It highlights adaptation as a key survival mechanism.

(e) Institutional Life Cycle Theory

Retail and wholesale institutions go through stages such as introduction, Growth, Maturity and Decline. This theory helps explain why some retail formats (e.g., traditional markets) decline while others (e.g., e-commerce) rise.

Emerging Trends in both Sectors

The expansion of e-commerce has significantly reshaped wholesale and retail operations. Businesses now leverage online platforms, mobile apps, and digital marketplaces to reach wider audiences beyond geographical boundaries. This trend is fueled by increased internet access, smartphone usage and consumer demand for convenience. It enables faster transactions, real-time inventory tracking and reduced dependence on physical stores, thereby lowering operational costs (Kotler & Keller, 2021). Data analytics plays a critical role in modern retail and wholesale management by supporting evidence-based decision-making. Firms analyze customer preferences, purchasing patterns and sales trends to forecast demand and optimize inventory. Predictive analytics also helps in pricing strategies and personalized marketing. Overall, it enhances operational efficiency and improves customer satisfaction (Rollander, 2018).

Omni-channel retailing integrates multiple sales channels—such as physical stores, websites, and mobile applications—into a unified system. Customers enjoy a seamless shopping experience, including options like online ordering with in-store pickup or home delivery. This approach improves customer engagement, ensures consistent brand experience, and increases customer loyalty (Ingene, 2014). Sustainability has become a strategic priority in wholesale and retail management. Businesses adopt environmentally friendly practices such as eco-friendly packaging, energy-efficient operations, and responsible sourcing. These practices not only reduce environmental impact but also enhance brand reputation and meet the growing consumer demand for ethical and sustainable products (Grewal et al, 2018). Automation and artificial intelligence (AI) are transforming supply chain processes. Technologies like warehouse robotics, automated inventory systems, and AI-driven forecasting tools improve speed, accuracy, and efficiency. They reduce human error, cut operational costs, and enable real-time tracking and decision-making, resulting in a more responsive and resilient supply chain.

Wholesale and Supply Chain Development.

The wholesale and supply chain development revolves around the following systems (Okeke & Eze, 2023):

(a)Traditional Wholesaling System.

Initially, wholesalers acted as middlemen, bridging the gap between producers and retailers by bulk breaking, storage , transportation and financing. These systems were largely manual and localized.

(b) Emergence of Integrated Supply Chains

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With industrialization, supply chains became more structured and coordinated, involving Manufacturers, Wholesalers, Retailers and Logistics providers. This led to improved efficiency and reduced costs.

(c) Logistics and Distribution Advancements.

Modern supply chains emphasize warehousing systems, transportation networks and inventory control techniques (e.g., Just-in-Time). These developments enhanced speed and reliability.

(d) Technology-Driven Supply Chains.

Digital technologies transformed wholesaling through enterprise resource planning (ERP) systems, data analytics for demand forecasting and automation in warehousing

(e) Global Supply Chain Networks.

Wholesaling has expanded into global sourcing and distribution, enabling international trade, cross-border logistics and outsourcing and offshoring. This has increased both opportunities and risks (e.g., supply disruptions).

Recent Transformations in Retail Management.

The transformations in retail management can be seen as follows (Adebayo, 2024; Kotler & Keller, 2021):

(a) Growth of E-Commerce.

The rise of Amazon and Alibaba Group has reshaped retail by enabling online shopping, Digital marketplaces and direct-to-consumer models .

(b) Omnichannel Retailing.

Retailers now integrate: physical stores ,online platforms and mobile applications. This provides a seamless customer experience across channels.

(c) Data-Driven Decision Making.

Retailers use big data analytics, customer insights and predictive modeling to improve personalization, pricing, and inventory management.

(d) Automation and Artificial Intelligence.

Technologies such as AI-powered recommendations, Automated checkout systems and Robotics in warehouses are increasing efficiency and reducing costs.

(e) Customer-Centric Retailing.

Modern retail focuses on customer experience, personalization and relationship management rather than just product sales.

(f) Sustainable and Ethical Retailing.

Retailers are adopting eco-friendly packaging, ethical sourcing and corporate social responsibility practices to meet growing consumer awareness.. Overall, wholesale and retail management has evolved from simple distribution systems to highly integrated, technology-driven networks, guided by theories that explain structural change, competition, and innovation.

Empirical Reviews.

- i)Adeyemi and Salami (2022) found that efficient wholesale distribution improves retail performance in Nigerian markets.
- ii)Okeke and Eze (2023) reported that digital retail strategies significantly enhance customer satisfaction and loyalty.
- iii)Ibrahim et al. (2021) observed that poor inventory management negatively affects both wholesalers and retailers.
- iv)Chen and Paulraj (2020) emphasized the importance of supply chain integration in improving business performance.
- v)Adebayo (2024) identified e-commerce adoption as a key driver of growth in retail businesses in developing economies.

METHODOLOGY

This study adopted a descriptive survey research design to examine wholesale and retail management of SMEs in modern commerce. The descriptive survey design was considered appropriate because it enables the researcher to collect relevant data from respondents and describe the existing conditions, practices, and challenges affecting SMEs in wholesale and retail operations. The study area comprised SMEs operating within selected commercial areas in Abia State. The target population of the study included SME owners, managers, wholesalers, retailers, consumers and employees involved in wholesale and retail business activities. These respondents were selected because they possess adequate knowledge and practical experience concerning the management practices and operational challenges of SMEs in modern commerce.

The population is very large (approaching infinity). Due to the constraints that are associated with in studying the entire population samples were taken using applicable sampling techniques. The sample size of the study was calculated according to Cochran (1975) formula which is used in social sciences in determining the sample size, calculated as follows:

$$n = \frac{Z^2}{d^2}$$

The estimation of the proportion of SME owners, managers, wholesalers, retailers, consumers and employees involved in wholesale and retail business activities is computed as:

-Confidence level = 95% → Z=1.96Z = 1.96Z=1.96

-Expected proportion (ppp) = 0.5 (since no prior estimate is available)

-Margin of error (eee) = 0.05

$$n = \frac{(1.96)^2 \cdot (0.5)(0.5)}{(0.05)^2} = \frac{(1.96)^2}{(0.05)^2} \cdot (0.5)(0.5) = 3.8516 \cdot 0.2500025 = 0.960400025 = 385.16n.$$

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The required sample size is **385 respondents** which formed the basis for data analysis. A sample size was determined using an appropriate sampling technique such as simple random sampling and stratified sampling methods to ensure fair representation of respondents across different categories of SMEs. Primary data were collected through the administration of structured questionnaires, while secondary data were obtained from textbooks, academic journals, conference papers, government publications and relevant online materials related to wholesale and retail management. The questionnaire was divided into sections covering demographic information, wholesale management practices, retail management strategies, technological adoption, operational challenges, and organizational performance. Responses were measured using a Likert-scale format ranging from strongly agree to strongly disagree. The validity of the research instrument was ensured through expert review and content validation by specialists in business management and marketing. Reliability of the instrument was tested using the test-retest method and Cronbach Alpha reliability technique which showed a value of 0.70 and ensured consistency of responses. Data collected from respondents were analyzed using descriptive statistical tools such as frequency tables and percentages. Inferential statistical methods such as correlation analysis and regression analysis were also employed to test the stated hypotheses. The findings were presented in tables and interpreted accordingly to achieve the objectives of the study. To examine relationships between variables, a regression model was specified as: Wholesale/Retail Performance = f(Technology, Inventory Management, Customer Service).

FINDINGS AND DISCUSSION

This section presents the findings of the study based on the responses obtained from 385 respondents across different categories of SMEs owners, managers, wholesalers, retailers, consumers and employees involved in wholesale and retail business activities in Abia State. The findings are organized according to wholesale and retail management practices, challenges affecting SMEs in modern commerce, roles of wholesale and retail management, inventory management and customer service, technology and e-commerce, and the regression results used to test the study hypotheses.

Wholesale and Retail Management Practices

This subsection presents respondents' views on wholesale and retail management practices among SMEs categories in Abia State. The items focused on effective inventory, customer satisfaction, technology adoption and logistics management.

Table 1: Respondents' Responses on Wholesale and Retail Management Practices

S/N	Statement	SA	A	N	D	SD	Total
1	Effective inventory management improves business performance	100 (26%)	240 (62%)	-	45 (12%)	-	385 (100%)
2	Customer satisfaction influences sales growth in SMEs	140 (36%)	225 (59%)	-	20 (5%)	-	385 (100%)
3	Technology adoption improves wholesale and retail operations	90 (23%)	280 (73%)	-	15 (4%)	-	385 (100%)
4	Proper logistics management enhances timely product delivery	120 (31%)	250 (65%)	-	-	15 (4%)	385 (100%)

Table 1 shows that wholesale and retail management practices are widely adopted among the sampled categories of SMEs in Abia State. On effective inventory management, 100 respondents representing 26% strongly agreed, while 240 respondents representing 62% agreed. This gives a combined agreement level of 88%, meaning that most SMEs reported using effective inventory management in their business operations. Only 12% disagreed, suggesting that poor inventory management exists among a small proportion of the sampled firms. The results also show that 36% of the respondents strongly agreed and 59% agreed that customer satisfaction influenced their sales growth, giving a combined agreement level of 95%. A small proportion of 5% disagreed. This indicates that customer satisfaction is generally recognized among the SMEs, although a few businesses may still operate without deliberate customer loyalty programs.

Regarding the technology adoption, 23% strongly agreed and 73% agreed, giving a total agreement level of 96%. This finding suggests that most SMEs are conscious of the adoption of technology which they use in production and operations while only 4% disagreed. Similarly, 31% strongly agreed and 65% agreed that proper logistics management enhances their timely product delivery, giving a total agreement level of 96%. This implies that SMEs in Abia state demonstrate strong engagement with their clientele because of product availability. The high levels of agreement across the four items suggest that effective inventory management, customer satisfaction, technology adoption and proper logistics management are important practices among wholesale and retail management of SMEs in Abia state. These practices may contribute to improved operational efficiency, lower production costs, better public image and stronger long-term business performance.

Challenges Affecting SMEs in Modern Commerce.

This subsection presents respondents' views on the challenges affecting SMEs in Modern Commerce. The questionnaire items focused on inadequate finance, poor infrastructure, high transport costs and lack of technical skills.

Table 2: Respondents' Responses on Challenges Affecting SMEs in Modern Commerce

S/N	Statement	SA	A	N	D	SD	Total
1	Inadequate finance affects SMEs growth	160 (42%)	225 (58%)	-	-	-	385 (100%)
2	Poor infrastructure negatively affects business operations	150 (39%)	215 (56%)	-	20 (5%)	-	385 (100%)
3	High transport costs reduce profitability	90 (23%)	280 (73%)	-	15 (4%)	-	385 (100%)
4	Lack of technical skills limits technology adoption	120 (31%)	250 (65%)	15 (4%)	-	--	385 (100%)
				-			

Table 2 emphasizes on inadequate finance shows that 160 respondents representing 42% strongly agreed, while 225 respondents representing 58% agreed. This gives a combined agreement level of 100%, meaning that the SMEs reported using adequate finance for the sustenance of their business operations.. The results also show that 39% of the respondents strongly agreed and 56% agreed that poor infrastructure negatively affects their business operations, giving a combined agreement level of 95%. A small proportion of 5% disagreed. This indicates that infrastructure provision is generally recognized among the SMEs.

Regarding the high transport costs, 23% strongly agreed and 73% agreed, giving a total agreement level of 96%. This finding suggests that most SMEs are conscious of the mode of transport which they use in their business operations while only 4% disagreed. Similarly, 31% strongly agreed and 65% agreed that lack of technical skills limits technology adoption, giving a total agreement level of 96%. This implies that SMEs in Abia state demonstrate strong importance in technical training of staff to increase their technology. The high levels of agreement across the four questionnaire items suggest that inadequate finance, poor infrastructure, high transport costs and lack of technical skills are some of the challenges facing SMEs in modern commerce. These challenges may contribute to operational inefficiency, poor quality products, reduced inventory and low return on investment (ROI).

Roles of Wholesale and Retail Management.

This subsection presents respondents' views on roles of wholesale and retail management among SMEs categories in Abia State. The questionnaire items focused on bulk distribution of goods, customer accessibility to products, market efficiency and economic growth.

Table 3: Respondents' Responses on Roles of Wholesale and Retail Management.

S/N	Statement	SA	A	N	D	SD	Total
1	Wholesale businesses help in bulk distribution of goods.	100 (26%)	240 (62%)	45 (12%)	-	-	385 (100%)
2	Retail management improves customer accessibility to products.	140 (36%)	225 (59%)	-	20 (5%)	-	385 (100%)
3	Effective wholesale and retail management enhances market efficiency.	90 (23%)	280 (73%)	-	15 (4%)	-	385 (100%)
4	Wholesale and Retail businesses contribute significantly to economic growth.	120 (31%)	250 (65%)	-	-	15 (4%)	385 (100%)

Table 3 indicates with regard to bulk distribution of goods that 100 respondents representing 26% strongly agreed, while 240 respondents representing 62% agreed. This gives a combined agreement level of 88%, meaning that most SMEs reported that wholesale managements involves buying in bulk from the manufacturers and selling in bits to other channel members in their business operations. Only 12% of the respondents remained neutral at the instance of the research. The results also show that 36% of the respondents strongly agreed and 59% agreed that retail management improves customer accessibility to products, giving a combined agreement level of 95%. A small proportion of 5% disagreed. This indicates that customer accessibility to products is generally recognized among the SMEs as a major function performed by retail management as a result of retailers' closeness to the end users. Regarding the market efficiency, 23% strongly agreed and 73% agreed, giving a total agreement level of 96%. This finding suggests that most SMEs are conscious of the distribution channel functions of both sectors which make products available to them while only 4% disagreed. Similarly, 31% strongly agreed and 65% agreed that wholesale and retail businesses contribute significantly to economic growth, giving a total agreement level of 96%. This implies that SMEs in Abia state demonstrate that wholesale and retail management are essential components of modern commerce, playing complementary roles in the distribution of goods and services.

Inventory Management and Customer Service

This subsection presents respondents' views on the effect of inventory management and customer service on wholesale and retail operational efficiency. The questionnaire items focused on proper inventory management, supply chain efficiency, good customer service and customer satisfaction..

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Table 4: Respondents' Responses on the effect of inventory management and customer service on wholesale and retail operational efficiency.

S/N	Statement	SA	A	N	D	SD	Total
1	Proper inventory management reduces product shortages	140 (36%)	245 (64%)	-	-	-	385 (100%)
2	Supply chain efficiency improves business performance	100 (26%)	265 (69%)	-	20 (5%)	-	385 (100%)
3	Good customer service increases customer loyalty	95 (25%)	290 (75%)	-	-	-	385 (100%)
4	Customer satisfaction contributes to business growth	130 (34%)	240 (62%)	15 (4%)	-	--	385 (100%)
				-			

Table 4 emphasis on proper inventory management shows that 140 respondents representing 36% strongly agreed, while 245 respondents representing 64% agreed. This gives a combined agreement level of 100%, meaning that the SMEs reported using proper inventory management to reduce product shortages. The results also show that 26% of the respondents strongly agreed and 69% agreed that supply chain efficiency improves their business operations, giving a combined agreement level of 95% while a small proportion of 5% disagreed. Regarding the good customer service, 25% strongly agreed and 75% agreed, giving a total agreement level of 100%. This finding suggests that most SMEs are conscious of the customer services which translate to customer loyalty as a result of repeat purchases, cash and trade discounts etc offered by most SMEs. Similarly, 34% strongly agreed and 62% agreed that customer satisfaction contributes to business growth, giving a total agreement level of 96%. This implies that SMEs in Abia state need to grow and expand their business operations through customer service levels to ensure customer satisfaction and customer loyalty. The high levels of agreement across the four questionnaire items suggest that proper inventory management, supply chain efficiency, good customer service and customer satisfaction are important factors that contribute to wholesale and retail operational efficiency. This finding supports modern supply chain theories which emphasize the importance of inventory optimization in business success.

Technology and E-Commerce.

This subsection presents respondents' views on the effect of technological advancement on wholesale and retail operations. The questionnaire items focused on technology, e-commerce, digital payment systems and Omni channel retailing.

Table 5: Respondents' Responses on the effect of technological advancements on wholesale and retail operations.

S/N	Statement	SA	A	N	D	SD	Total
1	Technology has improved inventory management practices.	180 (47%)	205 (53%)	-	-	-	385 (100%)
2	E-Commerce has increased sales opportunities for businesses.	165 (43%)	200 (52%)	20 (5%)	-	-	385 (100%)
3	Digital payment systems have enhanced retail transformations.	105 (27%)	280 (73%)	-	-	-	385 (100%)
4	Omni channel retailing improves customer shopping experiences.	130 (34%)	220 (57%)	15 (4%)	20 (5%)	--	385 (100%)

Regarding technological advancement in table 5, 165 respondents representing 43% strongly agreed, while 200 respondents representing 52% agreed. This gives a combined agreement level of 95%, meaning that the SMEs reported that technology improves inventory management practices. The results also show that 43% of the respondents strongly agreed and 52% agreed that e-commerce has increased sales opportunities for businesses, giving a combined agreement level of 95% while a small proportion of 5% were at the instance of the research. On the issue of digital payment systems, 27% strongly agreed and 73% agreed, giving a total agreement level of 100%. This finding suggests that most SMEs are of the opinion that digital payment systems have enhanced retail transformations. Similarly, 34% strongly agreed and 57% agreed that Omni channel retailing contributes to customer shopping experiences, giving a total agreement level of 91%. Only 4% of the respondents remained neutral at the instance of the research and 5% disagreed.. The high levels of agreement across the four questionnaire items suggest that technology, e-commerce, digital payment systems and Omni channel retailing are important factors that improve wholesale and retail operations. Technology was found to enhance operational efficiency, market reach, and transaction speed.

Wholesale / Retail Management Practices.

This subsection presents respondents' views on the effect of wholesale/retail management practices on the operational performance of SMEs in modern commerce. The questionnaire items focused on bulk purchasing, effective warehousing, proper product display and retail promotions..

Table 6: Respondents' Responses on the effect of wholesale/retail management practices on operational performance of SMEs in modern commerce.

S/N	Statement	SA	A	N	D	SD	Total
1	Bulk purchasing reduces operational costs in SMEs	90 (24%)	270 (70%)	5 (1%)	20 (5%)	-	385 (100%)
2	Effective warehousing improves product availability	145 (38%)	220 (57%)	-	20 (5%)	-	385 (100%)
3	Proper product display influences customer purchase decisions	95 (25%)	290 (75%)	-	-	-	385 (100%)
4	Retail promotions improve customer patronage	130 (34%)	240 (62%)	15 (4%)	-	--	385 (100%)

Table 6 emphasizes bulk purchasing and shows that 90 respondents representing 24% strongly agreed, while 270 respondents representing 70% agreed. This gives a combined agreement level of 94%, 1% of the respondents were neutral at the expense of the research and 5% disagreed, meaning that the SMEs reported that bulk purchasing reduces operational costs in SMEs.. The results also show that 38% of the respondents strongly agreed and 57% agreed that effective warehousing improves product availability, giving a combined agreement level of 95% while a small proportion of 5% disagreed. Regarding the proper product display, 25% strongly agreed and 75% agreed, giving a total agreement level of 100%. This finding suggests that most SMEs are desirous of proper product display to influence their customer purchase decisions. Similarly, 34% strongly agreed and 62% agreed that retail promotions improves customer patronage, giving a total agreement level of 96%. The high levels of agreement across the four questionnaire items suggest that bulk purchasing, effective warehousing, proper product display and retail promotions are important factors that contribute to operational efficiency of SMEs in modern commerce. SMEs that embrace innovation, technology, efficient customer service, and proper supply chain management are more likely to achieve sustainable growth and competitiveness

Hypotheses

This section presents the regression results used to test the three hypotheses of the study. The hypotheses examined the effect of inventory management and customer service on wholesale and retail operational efficiency, technological advancement on wholesale and retail operations and wholesale/retail management practices on the operational performance of SMEs in modern commerce. The results are summarized in Table 7.

Table 7: Summary of Regression Results for Test of Hypotheses

Hypothesis	Predictor Variable	Dependent Variable	Coefficient	Std. Error	t-value	F-statistic	R	R ²	Decision
H ₀₁ : Inventory management/ Customer service has no significant effect on wholesale/retail operational efficiency.	Inventory/ Customer service	Wholesale /Retail operational efficiency	0.702	0.297	3.235**	35.210	0.646	0.417	Rejected
H ₀₂ : Technology advancement has no significant effect on wholesale / retail operations.	Technology advancement	Wholesale / Retail operations	0.802	0.217	3.335**	36.230	0.746	0.556	Rejected
H ₀₃ : Wholesale / Retail management practices have no significant effect on operational performance of SMEs in modern commerce.	Wholesale / Retail management practices	Operational performance of SMEs	0.816	0.244	3.410**	36.361	0.820	0.672	Rejected

Table 7 shows that all three stated hypotheses have positive and significant effects on the SME s performances in modern commerce. Inventory management/Customer service has a positive coefficient of 0.702 and a t-value of 3.235, showing that practices such as proper inventory

Publication of the European Centre for Research Training and Development-UK management, supply chain efficiency, good customer service and customer satisfaction significantly improve wholesale and retail operational efficiency. The R value of 0.646 indicates a positive relationship, while the R² value of 0.417 shows that inventory management/customer service explains 41.7% of the variation in wholesale/retail operational efficiency. Technology advancement has a coefficient of 0.802 and a t-value of 3.335, indicating that technology, e-commerce, digital payment systems and Omni channel retailing significantly improve wholesale/retail operations. Its R² value of 0.556 means that technology explains 55.6% of the variation in wholesale and retail operations. Wholesale and Retail management practices have the strongest explanatory power, with a coefficient of 0.816, a t-value of 3.410, and an R² value of 0.672, meaning that bulk purchasing, efficient warehousing, proper product display and retail promotions explain 67.2% of the variation in SMEs operational performance. Since all the t-values are significant at the 5% level and the F-statistics confirm that the regression models are statistically meaningful, all three null hypotheses are rejected. Therefore, inventory management/customer service, technology advancement and wholesale/retail management practices have significant positive effects on SMEs performance in modern commerce.

CONCLUSION

Wholesale and retail management are essential components of modern commerce, playing complementary roles in the distribution of goods and services. While wholesale management ensures efficient bulk distribution, retail management focuses on delivering value to final consumers. The integration of these functions enhances supply chain performance and business competitiveness. Wholesale and retail management face complex challenges ranging from infrastructure deficiencies to rapidly changing consumer expectations. To remain competitive, businesses must invest in efficient logistics systems, advanced technology, effective inventory management, and customer-centric strategies. The significance of the study lies in its ability to provide comprehensive understanding of how wholesale and retail management influence modern commercial activities. It benefits business managers, policymakers, researchers, entrepreneurs, and consumers by offering strategies for improving efficiency, customer satisfaction, profitability, and sustainable economic development in today's competitive business environment.

Recommendations

Based on the findings of the study, the following recommendations were made:

- i) SMEs should adopt modern inventory management systems to improve stock control, reduce wastage, and enhance operational efficiency.
- ii) SME operators should invest in digital technologies such as e-commerce platforms, electronic payment systems, and automated retail management software to improve competitiveness in modern commerce.

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- iii)Business owners and managers should strengthen customer relationship management practices through effective communication, quality service delivery, and customer feedback mechanisms.
- iv)Government should provide financial assistance, soft loans, and grants to SMEs to enable them expand operations and adopt modern business technologies.
- v)Financial institutions should reduce stringent lending conditions and offer flexible credit facilities tailored to the needs of SMEs.
- vi)SMEs should improve supply chain and logistics management through better transportation planning, warehousing systems, and distribution coordination.
- vii)Training and capacity-building programs should be organized regularly for SME owners and employees on modern wholesale and retail management practices.
- viii)Government should improve infrastructural facilities such as roads, electricity supply, and internet connectivity to support wholesale and retail business operations.
- ix)SMEs should adopt strategic marketing practices, including digital marketing and social media advertising, to increase market visibility and customer reach.
- x)SME operators should establish partnerships and collaborative networks to strengthen their market position and reduce the effects of intense competition.

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