



Assessment of the Structure, Conduct and Performance of Timber Markets in Southwest, Nigeria

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Abstract. The timber industry in Southwest Nigeria plays a vital role in socio-economic development, yet constrained by inadequate access to reliable and timely market information. This study assessed the structure, conduct and performance of timber marketing business in Southwest, Nigeria with a view to improve the performance of timber market in the region. Primary data were obtained from timber marketers across the six states of Southwest Nigeria, using structured questionnaires. Data were analysed using descriptive statistics, and the result was presented using tables and charts. Findings revealed that there was more male gender (62.8%) than female gender (37.2%) in timber marketing business in the region. The result of the ages of the respondents showed that 27.7% of the respondents were between the ages of 41-50, 26% were 51-60 years, 19.2% were 21-30, 16.1% were between 31-40 while 7.3% and 3.4% respectively of the respondents ages ranged between 60-70 years and above 70 years. There are diverse in size, specialisation, and market reach, with most operating through traditional marketing channels. Most timber marketers belonged to group of association and the association are paying vital roles in assisting their members. The Southwest Timber market is monopolistic in nature. It is recommended that effective Timber Marketing Information System be developed to enhance performance of timber marketing in Southwest, Nigeria in order to giving an easy access to vital timber marketing information.

Keywords: Assessment, Structure, Conduct, Performance, Timber market, Southwest, Nigeria

1. Introduction

Market structures are the specific social organizational relationship that exists between buyers and sellers in a

market. Many market participants are involved i.e. buyers and sellers, the good and service (i.e. the product) that are bought and sold are homogenous; that is to say, it is identical. However, the major characteristics that economists really focused on in describing the market structures are the nature of competition and the mode of pricing in that market. The market structure has influence greatly on the behaviour of individual traders in the market (Ajewole and Fasoro, 2013). Market structure refers to the social and economic organisation that exists between buyers and sellers in a given market. It describes how competitive the market is, based on factors such as the number of firms, the bargaining power of buyers and sellers, the level of competition and collusion, the degree of product differentiation, and how easy it is to enter or exit the market (Wikipedia, 2023). Market structure understanding is a good basis for market operation analysis, price setting and firm's behaviour. There are primarily four market structures or market models: Perfect Competition, Monopolistic Competition, Oligopoly, and Monopoly.

Market conduct is behavioural, that is, what the firms do with their prices, production levels, products, promotions, and other key operating variables (Greer, 1992). It focuses on how firms set prices either independently or collectively. MC is the typical strategies and behaviours adopted by firms as they respond to the conditions and dynamics of the markets in which they operate, whether as buyers or sellers. MC refers to the strategic behaviour firms adopt in determining prices, either individually or in coordination with others, as well as in setting advertising and research expenditure. It encompasses actions such as market sharing arrangements, pricing strategies, and efforts aimed at limiting competitors or

enhancing product quality (Acharya and Agarwal, 1999; Archrol, 1991).

Timber market performance can be described as how well the marketing system performs, what society and the market participants expect of it. While market structure and conduct describe how firms operate and interact within a market, market performance reflects the outcomes of these interactions and how effectively the market functions. According to Greece (1992), performance represents the achievements and responses generated within the market as a result of firms' behaviour. Carlton and Perloff (1994) further defined market performance as the market's ability to deliver consumer benefits efficiently. In this context, timber market performance refers to the effectiveness of the timber marketing system in meeting the expectations of both the society and market participants.

2. Research Methodology

2.1 Study area

The South West is one of Nigeria's six geopolitical zones, serving as both a geographical and administrative division. This region includes six states: Ekiti, Lagos, Ogun, Ondo, Osun, and Oyo (All News, 2021; My Guide Nigeria, 2023). The South-

West zone of Nigeria extends along the Atlantic coastline, starting from the border with the Republic of Benin in the west and reaching the South-South region in the east, with the North Central region lying to its north. The southernmost part features Central African mangrove ecosystems, while the interior consists primarily of the Nigerian lowland forest zones in the south and east, as well as the Guinea forest, savanna mosaic found in the more arid northwest. The region experiences two major seasons like the rest of Nigeria: the rainy season, which spans from March to November, and the dry season, which occurs from November to February. During the dry season, Harmattan winds, cold and dusty gusts from the Sahara, typically sweep through the southern areas (My Guide Nigeria, 2023). The South-West is predominantly inhabited by the Yoruba ethnic group, with the region forming the core of Yorubaland, the cultural and ancestral homeland of the Yoruba people. This group represents the majority ethnic population in the zone. In terms of economic activity, urban centers like Lagos and Ibadan are major contributors to Nigeria's economy, while the rural areas remain less developed. The South-West hosts over 50 million residents, accounting for more than 22% of the national population. Lagos stands out as the most populous city in the region, in Nigeria and across the entire African continent.

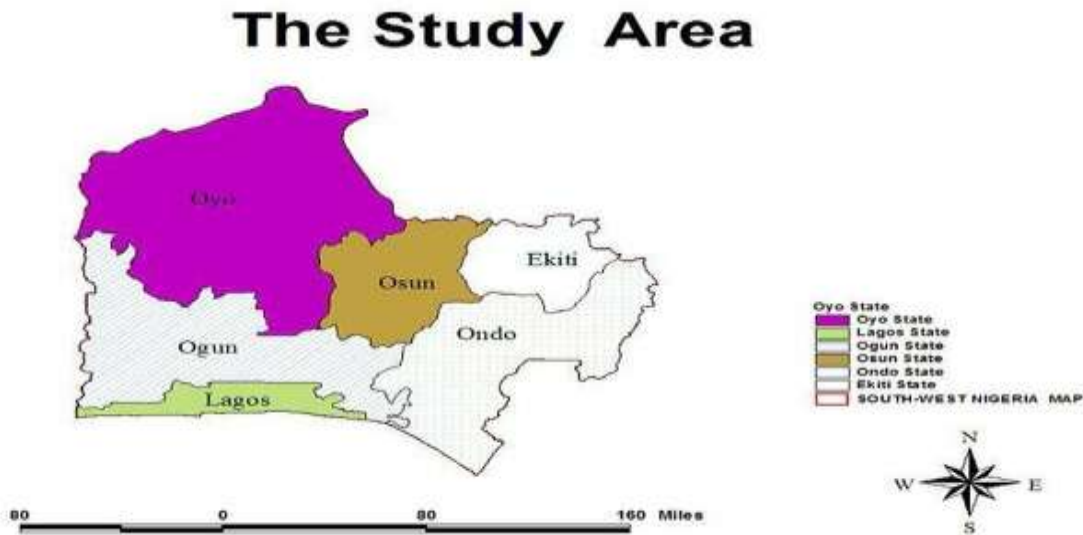


Figure 1: Map of the Study Area

2.2 Sampling Procedure and Sampling Technique

Proportionate to size sampling procedure was used to select 379 respondents from 1895 timber marketer's population using a 20% sampling intensity.

Table 1: Sampling procedures for Respondents in Southwest, Nigeria

States	Numbers of registered Timber marketers	20% sample
Oyo	300	60
Ogun	535	107
Osun	330	66
Lagos	200	40
Ekiti	280	56
Ondo	250	50
Total Sample	1895	379

Field Survey, 2025

2.3 Sources of Data and Instruments for Data Collection

Primary and Secondary data were used. The primary data was collected with the aid of a structured questionnaire. Secondary data was collected from relevant journals, literature, websites and reports, to complement the primary data.

2.4 Data Analysis

A total number of three hundred and seventy-nine (379) questionnaires were administered while 355 was retrieved and analysed. To investigate the structure, conduct and performance of Timber market in Nigeria, Descriptive statistics (frequencies, percentages, Mean and Standard deviation) were used and the result was presented using tables and charts.

3. Results and Discussion

3.1 Socio-Economic Characteristics of Timber Marketers in South-West, Nigeria

Understanding the socio-economic characteristics of timber marketers is fundamental to analysing their roles, decision-making patterns, and performance within the timber value chain. These characteristics offer insight into the demographic and economic profiles that influence marketing strategies and business sustainability.

Table 2: Socio-economic and operational Characteristics of the Timber Marketers in South-West, Nigeria

Variables	Categories	Frequency	Percent %
Gender	Male	223	62.8
	Female	132	37.2
	Total	355	100.0
Age	Less than 20	1	3.0
	21-30	68	19.2
	31-40	57	16.1
	41-50	98	27.7
	51-60	92	26.0
	61-70	26	7.3
	Above 70	12	3.4
	No response	1	3.0
	Total	355	100.0
Estimate Income level	N100,000-200,000	87	24.5
	N201,000-300,000	56	15.8
	N301,000-400,000	41	11.5
	N401,000-500,000	66	18.6
	Above N500,000	91	25.6
	No response	14	3.9
Total	355	100.0	
Have other Sources of Income?	Yes	144	40.6
	No	211	59.4
	Total	355	100.0
Other sources of livelihood	Artisanship	18	5.1
	Building Contracting	37	10.4
	Furniture making	7	2.0

		Trading other products	62	17.5
		Farming	10	2.8
		No response	221	62.2
		Total	355	100.0
Languages Spoken by the Respondents	Yoruba	Yes	355	100.0
		No	0	0
		Total	355	100.0
	English	Yes	173	48.7
		No	180	50.7
		No response	2	0.6
		Total	355	100.0
	Hausa	Yes	9	2.5
		No	344	96.9
		No response	2	0.6
	Total	355	100.0	
Igbo	Yes	7	2.0	
	No	346	97.4	
	No response	2	0.6	
	Total	355	100.0	
Pidgin	Yes	93	26.2	
	No	260	73.2	
	No response	2	0.6	
	Total	355	100.0	
Academic Qualifications of Respondents		No formal Education	9	2.5
		Adult literacy Class	10	2.8
		Quar'anic education	11	3.1
		Pry Sch Cert	45	12.7
		Sec Sch Cert	181	51.0
		OND/HND/NCE	73	20.6
		Univ. Degree	26	7.3
		Total	355	100.0
Types of Information Technology/System	Mobile phone	Yes	347	97.7
		No	8	2.3
		Total	355	100.0
	Laptop	Yes	26	7.3
		No	329	92.7
		Total	355	100.0
	Internets	Yes	61	17.2
		No	294	82.8
		Total	355	100.0
	Library	Yes	3	8.0
No		352	99.2	
	Total	355	100.0	
Proficiency of the Respondents at using information technology		Novice	20	5.6
		Intermediate	266	75.0
		Highly proficient	69	19.4
		Total	355	100.0

Source: Field Survey, 2025

Table 2 showed the socio-economic characteristics of the Timber marketers in Southwest, Nigeria. The table revealed that 62.8% of the respondents were male while 37.2% were female. This showed that there were more of male gender than female gender in the plank markets in south-West, Nigeria. The observed gender

distribution indicated a notable presence of women in a sector traditionally dominated by men. While men continue to constitute the majority, the substantial involvement of women reflects evolving dynamics in the industry. This corroborates Falana *et al.*, (2023) which says there were more of male gender than

female in planks marketing business, pointing women to be usually involved in domestic works. Historically, timber marketing in Nigeria has been predominantly male oriented, attributed to the physically demanding nature of the work. According to the findings of Olawumi and Okunlola, (2015); Alawode *et al.* (2023), majority of people in sawmilling/planks related business were male. The result of the ages of the respondents showed that 27.7% of the respondents were between the ages of 41-50, 26% were 51-60 years, 19.2% were 21-30, 16.1% were between 31-40 while 7.3% and 3.4% respectively of the respondents ages ranged between 60-70 years and above 70 years. This result showed that the respondents were within the active age-group and were agile and resilient to stress, and source for income for livelihood sustenance. This pattern suggested that timber marketing is predominantly practiced by mature adults, many of whom are likely to have accumulated relevant experience and capital over time. This aligns with the findings which consistently show that middle-aged and older individuals dominate the timber trade in Nigeria and other parts of sub-Saharan Africa. According to Alawode *et al.* (2023), most timber marketers fell within the 41–60 years' age range, indicating that experience and established networks play a critical role in sustaining participation in the sector. Also, Salawu (2001) and Okunlola *et al.* (2023) noted that individuals between the ages of 31 and 50 represent the most active and productive workforce in agriculture and forestry-related activities. Okumadewa *et al.* (2000) observed that individuals aged 40 to 50 are generally productive due to their physical capacity and work experience.

For the estimate income level of the respondents, it is revealed that majority (25.6%) of the respondents had an estimate monthly income level of above N500,000, 24.5% had estimate income level of N100,000 - 200,000, followed by 18.6% having an estimate of N401,000 -500,000 while the least was 11.5% with estimate monthly income of between 301,000-400,000. From this analysis, it is deduced that Timber marketing business is a lucrative job and it is a very good source of income for livelihood in the South-West, Nigeria capable of yielding high monthly income especially for those with established networks and experience in trade. The economic potential of timber marketing has been documented in prior research by Falana *et al.* (2023) and Idoko (2024) that marketers reported timber trading as a primary source of income capable of supporting household expenditures, education and capital investment. This aligns with the conclusions of Adedokun *et al.*, (2017); Ohwo and Ogoha, (2017) and Aremu *et al.* (2015) who

all emphasised that sawnwood production across major sawmills remains a highly lucrative venture as it is a business with high rates of financial returns on investment, particularly when marketers are involved in both wholesale and retail distribution (Areo *et al.* 2024). Many (59.4%) of the respondents had no other sources of livelihood, while 40.6% had other sources of income other than timber marketing business. Since many of the respondents did not have other sources of income, this can be attributed to the profitability of the business. Since many of the respondents did not have other sources of livelihood aside from timber marketing business, the few ones that has were still into timber (forestry) related business. The engagement of timber marketers in ancillary economic activities such as furniture production and building contracting constitutes a form of horizontal and vertical integration within the timber industry. Furniture making is a logical and economically viable extension of timber marketing. Mbereyaho *et al.* (2019) emphasizes timber's structural utility, environmental sustainability, and adaptability, positioning it as a core material in both residential and commercial construction projects.

The educational background of timber marketers in Southwest Nigeria presents a diverse but largely basic qualification structure. The majority of respondents (51%) possessed secondary school certificates, indicating that most participants had completed basic formal education. Additionally, 20.6% had post-secondary qualifications such as Ordinary National Diploma (OND), Higher National Diploma (HND), or Nigeria Certificate in Education (NCE). A smaller segment (12.7%) had only primary education, while others had Qur'anic education (3.1%), adult literacy education (2.8%), and no formal education at all (2.5%). These findings suggested that timber marketing in Southwest Nigeria is accessible to individuals across various educational levels, but especially to those with at least basic education. The dominance of secondary-level education aligns with earlier research by Alawode *et al.* (2023), which reported that secondary school graduates form the bulk of timber traders in the Bodija timber market, Ibadan. This level of education is often sufficient for handling fundamental aspects of timber business operations, such as basic bookkeeping, customer relations, and understanding market dynamics. Although, formal education is not a prerequisite for venturing into timber marketing business, but it can provide an added advantage to those who possess it. So, the respondent's level of education is sufficient to influence their decision making in planks marketing business.

Table 3: Descriptive analysis of the Structure and Conduct of timber marketers in South-west, Nigeria.

Variables	Categories	Frequency	Percentage %
Year of establishment of business	1-5 years	14	3.9
	6-10 years	64	18.0
	11-15 years	60	16.9
	16-20 years	54	15.2
	Above 20 years	162	45.7
	No response	1	0.3
	Total	355	100.0
Operational business Capital	Less than N300,000	20	5.6
	N301,000-N500,000	38	10.7
	N501,000-1,000,000	82	23.1
	N1,000,001-N5,000,000	130	36.6
	Above N5,000,000	85	24.0
	Total	355	100.0
Scale of Business	Retail	35	9.9
	Wholesale	69	19.4
	Both	251	70.7
	Total	355	100.0
Type of Business Ownership	Corporate	35	9.9
	Sole ownership	288	81.1
	Cooperative Society	32	9.0
Employment Capacity	Total	355	100.0
	1 – 5	319	89.9
	6 – 10	31	8.7
	11-15	2	0.6
	Above 20	3	0.8
Monthly Profit Margin	Total	355	100.0
	Less than N100,000	87	24.5
	N101,000–N200,000	52	14.6
	N201,000–N300,000	63	17.7
	N301,000–N400,000	43	12.1
	N401,000–N500,000	43	12.1
	Above N500,000	56	15.8
	No response	11	2.5
	Total	355	100.0
Reason for Species demand in Market	Aesthetic Yes	81	17.2
	No	293	82.5
	No response	1	0.3
	Total	355	100.0
	Colour Yes	114	32.1
	No	241	67.9
	Total	355	100.0
	Strenght Yes	281	79.2
	No	74	20.8
	Total	355	100.0
Criteria for grading Sawn wood	Proportion of sapwood and heartwood (Colour) Yes	125	35.2
	No	230	64.8
	Total	355	100.0
	Presence of natural and milling defect Yes	161	45.4
	No	194	54.6
Total	355	100.0	
Have means of predicting Price change?	Yes	308	86.8
	No	47	13.2

	Total	355	100.0
If Yes, what are the means?	High transportation cost		
	Yes	209	58.9
	No	139	39.2
	No response	7	2.0
	Total	355	100.0
	When price of Petrol is Inflated	Yes	
	No	155	43.7
	No response	193	54.4
	Total	7	2.0
		355	100.0
	When price of other substitute is increased		
	Yes	44	12.4
	No	304	85.6
	No response	7	2.0
	Total	355	100.0
	When Electricity bill is increased	Yes	
	No	78	22.0
	No response	270	77.6
	Total	7	2.0
		355	100.0
Do you seek assistance from other marketers?	Yes	290	81.7
	No	65	18.3
	Total	355	100.0
Kind of Assistance rendered, if Yes	When demand is high.	242	68.2
	Low power supply	27	7.6
	Insufficient labour	48	13.5
	No response	38	10.7
	Total	355	100.0
If No, Why?	Sufficient man power	46	13.0
	No mass production	12	3.4
	Low demand for product	15	4.2
	High demand for man power	5	1.4
	No response	277	78.0
	Total	355	100.0
How often do you pay when assistance is requested?	Daily	129	36.3
	Weekly	57	16.1
	Monthly	58	16.3
	When need arise	22	6.2
	No response	89	25.9
	Total	355	100.0
Labour per person Payment	Less than N2500	95	26.8
	N2500-N3000	83	23.4
	N3001 – N5000	27	7.6
	Above N5000	65	18.3
	No response	85	24.0
	Total	355	100.0

Source: Field Survey, 2025

Tables 3 and 4 showed the descriptive analysis of the Structure, Conduct, and performance of timber marketers in South-west, Nigeria. The result in Table 3 showed that many of the respondents were established for not less than six to twenty years and above. A larger percentage (45.7%) of the responded had been in timber marketing business for above twenty (20) years, followed by six to ten years of establishment with 18% of the respondents, while

16.9.1% had been established for over 11-15 years, and 15.2% has been established for 16-20 years. This distribution suggested that majority of timber markets in the region are long-standing establishments, reflecting a mature and well-rooted sector within the local economy. Marketing experience is a vital attribute that prospective marketers must take into consideration before venturing into any business such as Timber marketing. It provides valuable insights into

the intricacies of trade as well as the activities involved (Busari *et al.* 2012; and Aremu *et al.* 2015). The longevity of these markets supported the findings of Olorunnisola (2023), who emphasized that Nigeria's wood industry has historically been a major contributor to economic development, with strong foundations laid during the colonial and immediate post-independence eras. The timber marketers long stay in business is a good prediction that the timber market recorded a greater success in timber marketing. This is in line with the data from the U.S. Bureau of Labor and Statistics, that, only 25% of new businesses stick around for 15 years above, and these statistics has been true for 30 years and can teach current and aspiring entrepreneurs one very important lesson and play a crucial role in long-term success (US Chamber of Commerce, 2023).

According to Okeleke (2020) and Sambe *et al.* (2022), timber marketing business is a capital intensive and a profitable business. In this study, 36.6% of the respondents was doing business with N1,000,001-N5,000,000, 24% was operating their business with above 5,000,000, 23.1% was trading with N501,000-N1,000,000 while 10.7% were doing business with N301,000-N500,000. This result showed that the respondents' day to day running cost is not lesser than between N300,000 and N500,000 which is quite fair, with a profit margin of between N101,000 – N 200,000 monthly. The analysis of operational capital among timber marketers in the study area revealed key insights into the financial dynamics and ownership structures that characterised this informal sector. The data indicated that 36.6% of respondents are actively engaged in doing business, suggesting a moderate level of participation in consistent operational activities. This aligns with the findings of Ariyo and Jerome (2005), who noted that limited capital access and informal institutional support often constrain broader business participation in Nigeria's SME sector. Furthermore, a notable 24% of the marketers operate with an operational capital exceeding ₦500,000. This subset likely represents the more established or better-resourced entrepreneurs within the timber trade, who may have stronger linkages to supply chains, greater market access, or diversified client bases. This finding supports Owolabi and Makinde's (2012) argument that, access to capital significantly influences firm performance and the ability to scale operations.

Ownership structure in the sector is predominantly skewed towards sole proprietorship, with 81.1% of timber businesses being solely owned. This is consistent with Ekong (2010), who found that sole ownership remains a dominant feature of informal

rural enterprises due to ease of operation and minimal bureaucratic overhead. However, the dominance of this ownership type may limit formalisation and access to credit, as Lawal and Alabi (2007) argued that institutional financing is more readily accessible to formally registered and jointly owned businesses. Planks marketing business is a capital consuming business which called for the Government in supporting the marketers as they needed support to device a way of getting soft loans either from the State or Federal Government so as to ensure smooth running of their business with high profits, the higher the operational capital, the higher the profit will be.

The scale of Timber marketing business in South-West, Nigeria is both wholesales and retails with majority (81.1%) of the marketers to be sole ownership, with 89.9% of the marketers having an employment capacity of 1-5 people. This suggests that the timber marketing sector in the region is predominantly composed of micro and small enterprises, which tends to align with the findings of Alawode *et al.* (2024), who observed that timber markets, such as Bodija Sawn wood market in Ibadan, Oyo State are primarily operated by small scale enterprises. These businesses often rely on family labour and a limited number of hired workers, reflecting the informal nature of the sector. Further supporting this observation, Babatunde *et al.* (2020) noted that in the timber markets of Ife East Local Government, Osun State, the majority of businesses are small-scale operations with minimal staffing levels. The predominance of small-scale operations in the timber marketing sector has implications for employment generation and economic development. While these enterprises provide essential employment opportunities, their limited scale may restrict their capacity to contribute significantly to broader economic growth.

In the timber markets of South-west, Nigeria, grading of sawn wood is a critical process that influences market value, usability, and consumer preference. The grading criteria were primarily based on two factors: Proportion of sapwood and heartwood (Colour) and Presence of natural and milling defects. A larger proportion (45.4%) of the respondent's grade sawnwood based on the presence of natural and milling defects. Defects such as knots, splits, shakes, and warping can significantly reduce the mechanical strength and aesthetic appeal of timber, thereby affecting its timber value (NHL, 2019, p.29). Kargbo *et al.* (2022) emphasised that such defects, often resulting from improper processing and handling, lead to a decrease in timber quality and consumer acceptance. Also, Rotowa *et al.* (2017) noted that in

Nigeria, grading standards are heavily influenced by visible defects, with defect-free timbers commanding higher prices. Approximately 35.2% of the timber marketers' grade sawn wood by assessing the proportion of sapwood to heartwood. Heartwood being the older, central part of the tree, is typically more durable and resistant to decay, making it preferable for structural applications. In contrast, Sapwood is the younger, outer layer that is more susceptible to insect attacks and decay. The colour differentiation between these two: heartwood darker and sapwood lighter and they serve as a visual cue for grading. This practice aligns with findings by Arisandi, (2021), who noted that heartwood's higher content contributes to its durability and desirability in construction. Understanding these grading criteria is essential for stakeholders in the timber industry to ensure quality control, meet market demands, and enhance the economic value of timber products.

There were means of price prediction change in the study area. The ability to anticipate price changes is a vital skill for timber marketers, especially in dynamic markets where input costs and external economic variables fluctuate frequently. In this study, a significant proportion (86.8%) of timber marketers in South-west, Nigeria indicated that they had means of predicting price changes in the timber market. Transportation (58.9%) remains one of the most critical cost components influencing timber prices. As pointed out by Ajani and Ofoegbu (2011, p.132), fluctuations in transportation costs, especially over poor road networks typical in many parts of Nigeria, directly impact the final market price of timber products. Rising transport costs due to distance, fuel scarcity, and vehicle maintenance issues often result in immediate timber price adjustments. Fuel price increases (43.7%) were cited as a strong predictor of timber price changes. The Nigerian economy's dependency on petroleum products makes timber marketing highly sensitive to petrol price volatility (Ariyo and Jerome, 2005, p. 17). Higher petrol prices escalate transportation, milling, and distribution costs, thereby exerting upward pressure on timber prices. Also, 22% of the respondents pointed electricity to be a determinant factor in timber price changes as electricity is critical for sawmilling operations. According to Oyediran and Olayemi (2014, p. 78), irregular power supply and rising electricity tariffs increase production costs, which are subsequently transferred to the market price of sawn wood and other timber products. Substitutes (12.4%), such as steel, cement, and aluminum also affect timber market

dynamics. When prices of substitutes rise, demand for timber (a relatively cheaper alternative) increases, creating an upward pressure on timber prices. This substitution effect has been well documented in the Nigerian construction sector (Rotowa *et al.* 2017, p. 74). The high predictive ability among timber marketers reflects their accumulated market experience and adaptability to Nigeria's economic fluctuations. Their ability to link macroeconomic variables such as fuel prices, transport costs, and substitute goods' prices to timber market trends is crucial for maintaining competitiveness and profitability in a volatile economic environment.

The dynamic nature of timber marketing in South-west, Nigeria often necessitates collaboration among marketers, particularly during periods of high demand or operational constraints. In this study, 81.7% of respondents sought assistance from other timber marketers, while 18.3% did not. Among those who sought assistance, several key reasons for assistance were highlighted: High Demand for Products (68.2%), Low Power Supply (7.6%), and Insufficient Labor (13.5%). Labor shortages, whether seasonal or unexpected, often push marketers to seek external assistance to maintain workflow continuity. The request for assistance is usually on a daily basis with payment of less than N2,500. According to Oladejo and Oladipo, (2011), manpower availability is a critical determinant of productivity in the Nigerian informal sector, including timber processing and marketing. Labor shortages, whether seasonal or unexpected, often push marketers to seek external assistance to maintain workflow continuity. According to Oladejo and Oladipo, (2011), manpower availability is a critical determinant of productivity in the Nigerian informal sector, including timber processing and marketing. Conversely, 18.3% of respondents reported not seeking external assistance, citing several reasons such as Sufficient manpower (Some timber marketers possess enough internal labor capacity to handle operational demands without requiring external help: this internal resource sufficiency is a hallmark of resilient small businesses (Ariyo and Jerome, 2005), Low production volume (Marketers engaged in relatively low-volume or specialized production activities often manage independently, reducing the need for collaborative support.), and low product demand (When market demand is weak, there is little operational pressure necessitating additional assistance, consistent with business cycle theories where resource mobilization matches demand levels (Storey, 1994)

Table 4: Marketing Performance and Institutional Conduct of Timber Marketers in South-west, Nigeria

Variables	Categories	Frequency	Percentage %	
Annual Rent Pay	Less than N30,000	170	47.8	
	N30,000-50,000	76	21.4	
	N51,000- N70,000	21	5.9	
	N71,000-N80,000	13	3.7	
	Above N80,000	68	19.2	
	No response	7	2.0	
	Total	355	100.0	
Additional Payment	Yes	284	80.0	
	No	68	19.2	
	No response	3	0.8	
	Total	355	100.0	
If Yes, what purpose?	Fueling Yes	37	10.4	
	No	308	86.8	
	No response	10	2.8	
		Total	355	100
	Maintenance of machine Yes			
	No	73	20.6	
	No response	279	78.6	
		Total	3	0.8
		355	100.0	
	Electricity Yes	143	40.5	
	No	209	58.9	
	No response	3	0.6	
		Total	355	100.0
	Security bills Yes	223	62.8	
	No	129	36.3	
No response	3	0.9		
	Total	355	100.0	
Years in Business of Timber Marketing	Less than 5 Years	37	10.4	
	6 - 10 Years	53	15.0	
	11 - 15 Years	49	13.8	
	16 - 20 Years	54	15.2	
	Above 20 Years	145	40.8	
	No response	17	4.8	
		Total	355	100.0
Supply of Timber	Regular	172	48.4	
	Irregular	180	50.7	
	No response	3	0.9	
		Total	355	100.0
Causes of Irregular Supply	Lack of fund. Yes	83	23.4	
	No	132	37.2	
	No response	140	39.4	
		Total	355	100.0
	Inaccessibility to forest.			
	Yes	67	18.9	
	No	145	40.8	
	No response	143	40.3	
		Total	355	100.0
	Problems of transportation Yes			
	No	65	18.3	
	No response	154	43.4	
		Total	136	38.3
		355	100 .0	
	Government policies.			
Yes	62	17.5		
No	158	44.5		
No response	135	38.0		
	Total	355	100.0	
Satisfied with returns?	Yes	194	54.6	
	No	161	45.4	
		Total	355	100.0

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If No, Why?	High cost of raw materials	Yes		
		No	41	11.6
		No response	178	50.1
		Total	136	38.3
			355	100.0
	High cost of machine			
		Yes	11	3.1
		No	206	58.0
		No response	138	38.9
		Total	355	100.0
	Insufficient fund			
		Yes	76	21.4
		No	141	39.7
		No response	138	38.9
		Total	355	100.0
	Lack of Credit facilities			
		Yes	64	18.0
		No	155	43.7
		No response	136	38.3
		Total	355	100.0
Are you part of any Association?		Yes	337	94.9
		No	18	5.1
		Total	355	100.0
Are there dues attached to being a member?		Yes	321	90.4
		No	27	7.6
		No response	7	2.0
		Total	355	100.0
Any challenge with the dues payment?		Yes	80	22.5
		No	275	77.5
		Total	355	100.0
Roles of Association	Guide the determination of price			
		Yes	130	36.6
		No	223	62.8
		No response	2	0.6
		Total	355	100.0
	Determine who can sell sawnwood in the market			
		Yes	79	22.3
		No	276	77.7
		Total	355	100.0
	Assist members financially			
		Yes		
		No	133	37.5
		Total	222	62.5
			355	100.0
	Assist in getting supplies	Yes		
		No	81	22.8
		No response	272	76.6
		Total	2	0.6
			355	100.0
Any constitution association activities?	guiding	Yes	320	90.1
		No	22	6.2
		No response	13	3.7
		Total	355	100.0
How often do you meet?	Weekly		68	19.2
	Fortnightly		157	44.2

Monthly	69	19.4
Bi-monthly	25	7.0
As the need arise	29	8.2
No response	7	2.0
Total	355	100.0

Source: Field Survey, 2025

Table 4 shows the Marketing Performance and Institutional Conduct of Timber Marketers in South-west, Nigeria. Cost of business premises and overhead expenses are crucial determinants of the profitability and sustainability of small-scale enterprises, especially in informal sectors like timber marketing. In this study, the annual rent paid by timber marketers varied significantly: 47.8% paid less than ₦30,000, 21.4% paid between ₦30,001 and ₦50,000, and 19.2% paid up to ₦80,000. This variation in rental cost likely reflected differences in market locations, accessibility, and market prominence. Timber markets located in urban or high-traffic zones tend to attract higher rent due to commercial advantages, as supported by Akinrinmade and Akinbola (2015), who found that shop rent is a major cost burden for small traders in densely populated commercial centers of Nigeria. Moreover, informal sector businesses often rent spaces without formal lease agreements, leading to inconsistent pricing and vulnerability to arbitrary rent hikes. According to Olatunji and Adepoju, (2014), the absence of tenancy regulation in informal markets often leads to exploitation by landlords or market associations, which negatively affects the capital retention of small-scale traders.

Beyond rental costs, timber marketers also reported other recurrent overheads, with: 62.8% incurring security expenses, 40.5% paying for electricity, 20.6% on maintenance of machines and 10.4% on fueling. Security costs are common in Nigerian open markets, especially where public policing is weak. Traders often contribute to local vigilante groups or hire private guards to protect goods and infrastructure. Rotowa *et al.* (2017) noted that, informal traders in Lagos and Ibadan markets frequently organise self-help security to mitigate theft and market fire risks due to inadequate public safety systems. Similarly, electricity costs also constitute a notable extra bill. Given that many timber processors use electrical tools or depend on cold storage, any interruption in power supply affects operations, leading to the additional cost of alternative sources such as generators, incurring payment on fuels to power the generators. This aligns with Oyediran and Olayemi's (2014) findings that poor power supply significantly increases operational costs in the sawmilling and timber industry in Nigeria.

Regularities in the supply of timber in the study areas were investigated. Timber supply consistency is a crucial element in ensuring business stability and meeting customer demand within the timber marketing sector. Supply consistency is critical for the sustainability of timber marketing, influencing both operational planning and market reliability. In this study, timber marketers in South-west, Nigeria reported varying perceptions regarding timber supply regularity: 48.4% of respondents reported regular supply, 50.7% reported irregular supply, and 0.9% was silent about their perception. This near-even split indicated that timber supply is perceived as unstable by the majority, which poses significant risks to business continuity. Such irregularity in supply can disrupt business operations, increase transaction costs, and reduce profit margins. This corroborated with the findings of Onyekwelu *et al.* (2010), who observed that the informal timber market in Nigeria often suffers from unpredictable supply chains, primarily due to inconsistent access to forest resources and market logistics. Respondents who identified irregularity in timber supply attributed it to various systemic and environmental factors such as Lack of funds (23.4%), transportation problems (18.3%), Inaccessibility to forest areas (18.3%), and Government policies (17.5%). Lack of capital limits the ability of marketers to purchase and stock timber in advance. This confirms Ariyo and Jerome's (2005), findings who emphasised that limited access to formal financing inhibits the capacity of small-scale enterprises to maintain steady inventories. In the context of timber marketing, insufficient capital restricted the ability of traders to procure raw logs or process timber in advance, making their supply highly dependent on spot transactions. Transportation challenges, reported by 18.3% of respondents, are equally critical. Poor road networks especially in forest hinterlands exacerbate delays and raise the cost of timber logistics. According to Ehiaghe and Oduguwa (2016), many timber suppliers in southern Nigeria face delays and timber damage due to bad access roads, particularly during the rainy season. These challenges reduce the efficiency of the supply chain and discourage regular delivery of timbers. Inaccessibility to forests is another critical factor. Poor rural infrastructure, seasonal rainfall patterns, and insecurity in forest areas hamper transportation and timber extraction (Ogunwusi and Onwualu, 2013).

Government regulations, including logging moratoria, forest access restrictions, and environmental conservation policies, also play a significant role. While these policies aim at ensuring sustainable forest management, they can unintentionally constrain supply if not harmonized with local economic realities (Nduwamungu and Akinyemi, 2017). For instance, permit delays or sudden enforcement of logging bans can lead to supply shortfalls, particularly affecting informal traders who lack lobbying power.

Associations and cooperative societies play a pivotal role in organising informal market participants in Nigeria, especially within sectors like timber marketing. In this study, an overwhelming 94.9% of respondents were registered members of timber marketing associations, and 90.4% of these members regularly paid dues. Notably, 77.5% of the members indicated that the financial contributions made to these associations were not considered burdensome, reflecting a positive cost-benefit perception of membership, indicating that the marketers got values for the dues they paid to the association. Associations function as regulatory and support institutions within the timber market. Marketers ought to belong to an association for them to carry out their businesses without any disturbance as the role of association cannot be under estimated for members. According to the data analysed, key roles played by associations include: Guiding price determination (36.6%), Controlling market access (i.e., deciding who can sell) (22.3%), Providing financial assistance to members (37.5%), and Supporting members in sourcing timber supplies (22.8%). These findings are consistent with the work of Ekong (2010), who emphasized the role of informal institutions in facilitating market efficiency and conflict resolution in rural enterprises. Associations often serve as intermediaries between government regulation and market participants, helping to enforce norms, share information, and provide welfare support. Ogunleye and Adepoju (2011) further argued that associations in the Nigerian forestry sector act as informal governance bodies, setting rules that improve transparency in pricing, encourage ethical trading practices, and assist in collective bargaining, especially in markets where formal enforcement mechanisms are weak. Moreover, the supportive roles, such as offering financial aid and helping members access supply chains, align with findings from Adewumi and Omotesho (2002), who documented the importance of cooperative societies in enabling access to credit, resources, and technical assistance among agricultural marketers.

Investigation was made on knowing if the timber marketers in the study area had constitutions guiding

their association, the marketers (90.1%) affirmed that there were constitutions and that they also had days of meeting. This agreed to the rules guiding association by Justice connects (2024) that any incorporated associations must have a governing document called a 'constitution' or 'rules' that sets out the roadmap for how the association will operate. The organisational structure and governance systems within timber marketers' associations in Southwest Nigeria reveal a strong presence of institutionalised conduct that significantly influences market performance. The presence of a constitution indicates the transition from informal to semi-formal market governance, a feature that aligns with the Structure-Conduct-Performance (SCP) paradigm in industrial organization theory. The SCP framework, as described by Bain (1959) and later adapted for informal markets by Shepherd (1990), posits that structured governance such as constitutions and internal regulations, leads to more predictable conduct and ultimately enhances performance outcomes in terms of stability, efficiency, and equity in terms of conduct. The frequency of meetings also serves as an important indicator of association vibrancy and engagement.

4. Conclusion and Recommendation

This study investigated the Structure, Conduct, and Performance of Timber Markets in South-west Nigeria. Major timber markets in the State capital of each of Oyo, Osun, Ondo, Ekiti, Lagos and Ogun states were identified and assessment was done on their structure, Conduct and performance with a view to provide a sustainable plank marketing system in Southwest, Nigeria. Analysis of the structure and conduct of timber marketing revealed strong association-based governance, regular meeting schedules, and indications of well-established trade practices. The Southwest timber market is monopolistic in nature. Performance was influenced by both internal organisation and external challenges.

It is recommended that Timber Marketing Information System is developed and accessible for Timber users, this development will enhance an effective performance of Timber marketing business in the Southwest, Nigeria

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