

## EVOLVING RETAIL FORMS: PROFILE OF SWAP MEET SELLERS

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### ABSTRACT

The economy of stagflation that we have witnessed during the past decade has increased significantly the consumers' interest in patronizing nonconventional retailing institutions such as swap meets, garage sales, used-products outlets and the like. Earlier research has investigated these forms of retailing from the shoppers' perspective. This study, however, focuses on the swap meet sellers, their profile and their reasons for participating in the swap meets.

### INTRODUCTION

The spiraling inflation of the 1970s and the resultant budget squeeze have driven many consumers into a waste minimizing life style and a more utilitarian approach to consumption (Berry, 1979). These trends and related others have been responsible for the emergence and growth of new forms of retailing and distribution channels which cater more specifically to the needs of the growing low-income consumer segment. A recent report (Wall Street Journal, August 1982) estimates that in 1981 alone the Internal Revenue Service has lost around \$26.2 billion in taxes because income from sources such as garage sales, swap meets, flea markets, and exchange clubs was not reported.

These emerging "underground" institutions capitalize on the shoppers' diminishing concern with brand and store loyalty, and their desire to maximize their economic utility (Razzouk and Gourley 1980, 1982). Consumers who may have formerly visited a department store or a discount store in search of household goods, do not hesitate to investigate a garage sale, swap meet or even a used product outlet where such goods are usually sold at bargain prices (Dovel and Healey, 1977, Rieken, Yavas and Bettie, 1978). Similarly, consumers who may have formerly disposed of unwanted products by throwing them away or giving them away to charities, family or friends, now take advantage of the resale opportunities made possible through those non-traditional retail and distribution centers (Conn, 1978, Razzouk and Corbet, 1982).

Consumer creativity and innovations in the market place apparently have not captured the interest and liking of marketing academics. A review of related literature reveals only a hand full of articles and studies dealing with the emerging non-conventional forms of retailing (Dovel and Healy, 1977, Rieken, Yavas and Bettie, 1978, Yavas and Rieken, 1981, Razzouk and Gourley, 1981, 1982, and Razzouk and Corbet, 1982).

Recognizing the academics' pre-occupation with tradition, Kotler (1982), in a keynote address to the National Marketing Educators challenged the group to rid themselves of tradition-myopia and turn some of their attention to the study of the uncommon and the non-conventional. More specifically, he urged that more attention be given to emerging forms of retailing which service the poor and disadvantaged.

The purpose of this study is to further explore the nature of swap meets as retailing institutions for

the low-income consumers; more specifically, the research seeks to develop a profile of swap meet sellers and identify their motives for patronizing this non-conventional retail institution.

### Present Study and Methodology.

The primary purpose of this research was to develop a demographic profile of the sellers and to assess the nature and degree of their involvement in this non-traditional form of retailing.

Data for the study was sought from a sample of 100 sellers at three meets in the Phoenix metropolitan area. The sellers were selected in a systematic random manner, with interviewers calling on every third occupied selling space in each market. The interviewers were instructed to visit each selected lot and conduct a structured interview with the major seller. Of the total 100 selected selling spaces, eleven spaces were unoccupied on the days when the interviews were conducted and twelve sellers refused to participate or could not participate because of the shoppers traffic. Accordingly, seventy-seven interviews were completed and thus were included in the analysis.

### The Findings

A total of 77 sellers were interviewed at the three swap meets and of those, 48 percent were females and 52 percent were male sellers. The large number of female sellers reported may indicate that swap meet selling is not necessarily a male dominant business activity.

Table 1 shows the age distribution for the sample of sellers, and area population as reported in Inside Phoenix 1981. All age categories were represented among the sellers. However, the majority (55 percent) were 50 years and over. This figure is way above the 41.6 percent of the metropolitan Phoenix population who fall into this age category. This obvious over-representation of the 50 and above sellers may well be attributed to established retirement communities in the Phoenix metropolitan area. Such individuals may find in a swap meet an answer to their needs for extra income, fun and socialization.

Sellers represented a variety of ethnic groups. 90.9 percent of the sellers were Caucasian whites, followed by 6.5 percent Hispanics and 2.6 percent black and other minority groups. These figures compared closely with those reported for shoppers by Razzouk and Gourley (1982). However, we should note that Hispanics, blacks, and other minorities were under-represented among both the sellers and the shoppers compared to their relative representativeness in the area population. Somehow, the swap meets are not attracting as many minority shoppers and sellers as one may expect.

Close to 55 percent of the sellers reported annual household income of less than \$10,000, compared to 40 percent of the metropolitan Phoenix population who reported such income.

for the swap meet sellers. The relatively high frequency of low income reported reaffirms the value of swap meets as a source of supplementary income for the sellers.

The education level of the sellers did not differ significantly from the metropolitan population. Over forty-two percent of the sellers have completed at least one year of college and 28.9 percent have graduated from high school. Since poverty is usually associated with low levels of education (Andreasen, 1975), it would be difficult to attach such a label to the sellers on the basis of their level of education.

Seventy-five percent of the sellers were married and the same proportion reported having children. Slightly over one-fourth (25.9 percent) reported having only one child, 29.7 percent indicated having 2 children in the household and the remaining 44.4 percent had 3 or more children. The relatively large size of the seller's household may be responsible at least partially for the budget squeeze experience by the sellers. The size of the household coupled with a relatively low household income may explain the sellers participation in swap meet selling. Also, the fact that 61.8 percent reported living in a house as opposed to an apartment, mobile home or a trailer, would accentuate the financial needs of this population segment. The respondents' occupations may reaffirm the relative financial disadvantages which they face. Close to 32 percent reported being retired, 19.2 percent were in retailing, 17.8 percent were housewives and the remaining reported other occupations such as service, construction, government and students.

#### Selling Patterns

The majority of the respondents (93.5 percent) indicated on the day of the interview that they have sold at a swap meet before. Of these, 58 percent had also sold at one or more of the other local swap meets. In addition, of those who were not first timers, 43 percent had sold at a swap meet six or more times in the past four weeks. These figures indicate the regularity of the sellers participation in swap meet selling as expressed by more than one seller: "We are regulars here . . . almost every weekend."

When asked about the source of their merchandise, the sellers reported a variety of sources. Almost one-fourth (22.4 percent) indicated selling their own personal property, 21.7 percent said their merchandise was either homemade or handmade, and 17.1 percent stated that their merchandise came from other peoples' garage or yard sales. An additional 14.5 percent indicated buying their goods from wholesalers and distributors, and only 3.9 percent claimed their goods came from their own stores. The remaining 21.1 percent reported a variety of other sources. It is difficult to assess the quality or value of stolen merchandise which is sold at these swap meets. As expected, none of the sellers admitted trading with such merchandise.

Further questioning on the condition of the goods sold at swap meets indicates that the bulk of these goods are used or second-hand. When probed further, many sellers reported spending two or three weekdays shopping at garage sales and reviewing the Pennysaver--a local weekly advertising publication--in search of merchandise for sale at the swap meets. In fact, over 55 percent reported reading the Pennysaver every week in search of bargains.

Why do sellers participate in selling at swap meets?

The majority of the respondents, 51.7 percent, selected "extra income" as the main reason for selling at swap meets. Approximately 32 percent participate to have fun, pass time, keep busy, watch people, and less than 10 percent utilize swap meet selling as a means for disposing of unwanted extra items. Only 7.0 percent reported selling at swap meets as a necessity for survival, however, when this figure is combined with the 51.7 percent who seek "extra income," it clearly highlights the economic motives of the sellers. Swap meets appear to be a definite source of needed revenues and socialization. But how much revenues are earned by a typical swap meet seller? When asked about the average daily sales at swap meets, 16.9 percent of the respondents refused to provide this information. Of those who did respond, exactly 50 percent reported daily sales under \$50. This low figure may be attributed to the large proportion of respondents selling used merchandise at relatively low prices or to the seller's concern over possible taxation. Of the remaining respondents, 28.1 cited an amount of \$50--\$99, 12.5 percent make \$100--\$199, and 9.4 percent report earnings over \$200.

And finally, this section concludes with a description of the types of merchandise being sold at swap meets (Table 3). This information was acquired through observation, and therefore, it is based on the interviewer's best judgment. Jewelry, clothes and home furnishings led the way with several other categories represented. In fact, a variety of over 48 different product categories was observed being sold at the three swap meets. This wide assortment of goods was well recognized and appreciated by the shoppers.

#### Summary and Implications

The findings reported in this research show the typical seller in a swap meet as a low-income white male or female who participates in swap meet selling primarily to gain some extra income and have a fun experience.

The high level of unemployment due to retirement, coupled with a large size household, make swap meets viable outdoor business ventures for those who feel the pinch of a budget squeeze.

Swap meets, like their predecessor the trading posts, provide sellers and shoppers an opportunity to maximize their economic utility in a warm and friendly outdoor environment. The fact that many sellers keep coming back in spite of the relatively low level of sales is a good indicator that fun and socialization are also of value to these individuals. Several respondents indicated their satisfaction with the overall selling experience at swap meets even if they were not making any sales. This expressed interest in socialization and having a good time accentuates the value of swap meets as social vents and recreation opportunities which this particular group needed and looked forward to participate in almost on a weekly basis.

Robot Technology and other advances in computer applications to marketing tend to limit the prospects for consumer socialization at work or in the market place. Direct marketing and teleshoppers may further limit the prospects for consumer socialization. Swap meets, and garage sales, however, provide greater opportunities for socialization and recreation while at the same time maximizing economic utilities by selling or shopping at these markets.

Swap meets are not without disadvantages. Law enforcement personnel often link swap meets to increased levels of crime, especially break-ins and robberies.

Individuals selling appliances of any kind in a swap meet are required by law to report the serial numbers of the items they sell. Whether or not all the sellers comply with the law is hard to tell. However, the high percentage of regulars (weekly participants) indicates the established nature of these sellers. It is unlikely that someone selling stolen merchandise would end up renting the same space week after week. The few existing regulations of swap meet selling may shift the trading of hot items to garage sales which face no regulations.

The economics of stagflation, the new demographics, and continued government non-interference would undoubtedly cause swap meets and similar non-traditional retail institutions to gain greater acceptance. As greater portions of the population fall back into poverty, swap meets, garage sales, and used-product outlets will be called on to provide consumer services not available through conventional retail outlets.

In conclusion, the researchers call on marketing professionals and public policy makers to recognize the legitimacy of swap meets and their value as orderly social vents and providers of economic utility. We urge that future discussions of retailing would recognize innovation and adaptability and make an honorable mention of the uncommon. This study was exploratory in nature and scope; future research should further investigate the proposed benefits of swap meets as a social vent and as retail institutions servicing the poor or disadvantaged consumers.

TABLE 1

Age Distribution of Swap Meet Sellers

<u>Age Group</u>	<u>Sellers</u>	<u>Phoenix Population</u>
Under 25	13.5 %	17.4 %
25-34	12.2 %	21.5 %
35-49	17.5 %	19.5 %
50-64	41.9 %	25.4 %
65 and Over	<u>14.9 %</u>	<u>16.2 %</u>
	100.0 %	100.0 %

Source: Inside Phoenix 1982, adjusted to exclude individuals under 18.

TABLE 2  
Annual Household Income of  
Swap Meet Sellers

<u>Income</u>	<u>Sellers</u>	<u>Phoenix Population</u>
Under \$5,000	27.4 %	13.0 %
\$5,000-\$9,999	37.1 %	27.0 %
\$10,000-\$14,999	19.5 %	18.0 %
\$15,000-\$24,999	8.0 %	23.0 %
\$25,000-\$34,999	3.2 %	13.0 %
\$35,000 or more	<u>4.8 %</u>	<u>6.0 %</u>
	100.0 %	100.0 %

Source: Inside Phoenix, 1982.

TABLE 3

Types of Merchandise Sold at Swap Meets

<u>Category</u>	<u>Percentage of Observations</u>
Jewelry	20.6
Clothing	14.9
Arts & Decorations	12.8
Books & Novelties	9.2
Appliances	8.8
Tools	5.8
Auto Parts	4.9
Home Furnishings	4.8
Sports Equipment & Supplies	3.4
Home Repair Supplies	3.2
Plants	2.4
Toys	2.0
Food & Drinks	1.8
Services	1.3
Antiques	<u>.5</u>
Total	100.0

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