

Title of Article: Foreign Megastores and the Nigerian Economy: A Study of Shoprite

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Abstract: This paper examines the phenomenon of foreign megastores in Nigeria. It offers a historical analysis of the factors responsible for their presence, emerging trends engendered by foreign megastores within the Nigerian market and the implications of such presence for the Nigerian economy. It demonstrates that foreign megastores have profoundly affected the economy and social environment within Nigeria. It adopts as a model of analysis the South African retail store, Shoprite and observes how it is progressively influencing consumer behaviour, expanding the influence of retailers and directing financial flows into Nigeria. Among other things, Shoprite offers consumers the luxury of spacious well organized parking lots, clean environments, a friendly staff and competitive prices to mention a few. Observers of the rapid expansion of Shoprite agree that its presence in Nigeria means that roadside sellers of bread, vegetables and meat would be adversely affected in a country where retailing is largely informal; it thus threatens existing market structures. It also significantly contributes to the fast rising level of health challenges in Nigeria. To this effect, the study set out to test the impact of Shoprite as a foreign megastore on Nigeria's economy and the data obtained through interviews and from the distribution of questionnaires, and analyzed with the aid of the Statistics Package for Social Science (SPSS), reveal that for Nigerian citizens, the positive effects outweigh the negative and that though foreign megastores are influencing market patterns, they cannot completely displace traditional market systems in Nigeria, at least

not in this century; they however, can modify them. More specifically, findings revealed that Shoprite has boosted the Nigerian economy and has significantly shaped the pattern of internationalization of retailing in Nigeria. The research thus recommends, among other things, that government should through the appropriate agencies ensure that it monitors the activities of foreign megastores so as to prevent them from monopolizing the markets and dictating prices. It should also seek out means of ensuring that Nigerians in South Africa have a level playing field and opportunities for expansion like their South African counterparts in the former.

Keywords: Foreign Megastores, Nigerian Economy, Shoprite, South Africa.