

## The Hidden Price of Poor Transportation: How Small Retailers and Consumers Pay the Price.

In supply chain management, businesses typically prioritize either efficiency or responsiveness. However, for small scale retailers efficiency is not even a choice—they must be responsive to survive. This responsiveness depends largely on the efficiency of the transport system, which, unfortunately, is often unreliable, especially in this part of the world.

Transportation is a critical factor in supply chain management, and while there are various modes of transport, roads are relied on the most for inland transport in Ghana. However, these roads are either in terrible condition or deteriorating which severely affects small-scale retailers. Unlike high-end retail centers like Melcom, Shoprite, or Palace Mall, which have structured supply chains and better logistics, smaller retailers—those running grocery shops, market stalls, and convenience stores in local communities—struggle the most.

### The Harsh Reality of Retail Transportation in Ghana

One of the biggest reasons small retailers face challenges is the highly competitive and low-margin nature of the business. The barrier to entry for small scale retail selling is low, leading to an oversaturated market with intense competition. To retain customers, small retailers must go the extra mile—literally. Often, distributors do not deliver directly to them, forcing them to travel to source goods themselves, adding extra transportation costs.

A major cause of these transportation struggles is supply chain disruptions, which can be attributed to several factors:

1. **Limited Access to Transport Trucks:** Many distributors prioritize larger retailers, leaving small retailers without a reliable way to get their stock. In some rural areas, access to trucks for deliveries is nearly nonexistent.
2. **High Fuel Prices and Inflation:** The rising cost of fuel increases transportation expenses, making it more expensive for retailers to restock goods. This forces them to increase prices, driving customers toward larger retailers with more stable supply chains.
3. **Lack of an Organized Transport System for Small Retailers:** Unlike big retail chains that have dedicated logistics, small retailers rely on random transport services, which lack price regulation. Many drivers take advantage of this, charging exorbitant amounts of money which retailers then pass on to customers.

### The Ripple Effect: Why Consumers Pay the Price

The transportation inefficiencies do not just affect retailers—they also affect consumers. Since small retailers pay higher costs for transporting goods, they increase their prices to compensate. This makes everyday essentials more expensive, pushing customers toward larger retail chains that offer lower prices due to economies of scale.

Unfortunately, this creates an unequal playing field where small retailers struggle to compete. If the

transportation system remains inefficient, many small businesses may be forced to shut down, limiting consumer choices and increasing reliance on bigger retail chains.

## Conclusion

For Ghana's retail sector to thrive, transportation inefficiencies must be addressed. This includes improving road infrastructure, introducing affordable and organized transport solutions for small retailers, and regulating transport costs to prevent price exploitation. If these issues are not tackled, small retailers will continue to struggle, goods will remain expensive, and consumers will have fewer affordable options in their various communities.

In the end, a stronger and more reliable transport system does not just benefit retailers—it benefits the entire economy by ensuring goods are delivered efficiently, affordably, and on time.