
The Urban Patterns of Wholesaling

KATHRYN NARDONE, East Texas State University, Commerce

When thought of at all, the word wholesaling usually conjures up images of vast warehouses, and a nondescript, shirt-sleeved, cigar-chomping man unaffectionately known as the middleman. Traditionally, the professional expediter, the wholesaler, has been regarded as the least efficient and most dispensable stage in the producer to consumer economic process.

It would take very little study to understand that the elimination of the middleman does not erase the need for the operation of wholesaling. Wholesaling is the very act of collecting goods from the many producers and grouping them into categories and quantities according to specific retail and consumer demand. Without this catalytic coordination the market economy reverts to the barter system with each consumer dealing directly with each producer.

It has become axiomatic that cities act as nodal points within regions. The area over which the regular exchange of goods and services takes place is the field of activity termed hinterland. Where access facilities are direct and relatively easy, and where the particular city is the principal, if not the only nodal point, the hinterland is continuous and synonymous with urban region (Van Cleef, 1937). A city may be central but attended by secondary and subsidiary centers of activity. A physical factor such as mountains, water, or distance may interrupt direct contact between core and peripheral trading partners. In the case of such a discontinuous hinterland the wholesale operation must precede that of physical distribution to the consumer. A city acquires a noticeable number of wholesalers when its hinterland is sufficiently extended and scattered to warrant the services of personnel especially trained in the coordination of supply and distribution facilities.

It was the disproportional relation of this noticeable number of wholesalers to other occupations that Harris (1943) and Nelson (1955) used to depict the locational pattern of predominantly wholesale cities in the United States. On both of their maps, cities categorized as wholesale are conspicuously absent from the southern shore of the Great Lakes and the megalopolitan East Coast. A paradox is immediately evident. No city in the United States does more wholesale business by volume than New York City and Chicago. By using proportional employment figures however, these cities are so diversified that they may not be included in any specialized economic category, particularly for this discussion, wholesaling. The Harris and Nelson maps are not a picture of wholesaling as an urban function, but rather, a picture of the urbanism that results from a specific need for wholesaling.

Large cities like Memphis, New Orleans, and Denver act as central markets that sell commodities in large quantities to smaller retail establishments in the hinterland. Rarely is the wholesaling of these central markets as obvious as is the distributive network. Truck terminals, railway switchyards, ports, and airports eagerly vie for space in every major city. But the paperwork necessary before any of these carriers can move is done in the wholesaler's office downtown. A study of Columbus, Ohio, revealed that 38% of all wholesale establishments were within that city's central business district (Reseka, 1962). This type of wholesaling is essentially retailing with the central city being the office and the smaller cities the consumers.

Another category of wholesalers encompasses the assemblers of agricultural products. Abilene, Texas, gathers cotton; Wenatchee, Washington, picks apples, and Sanford, Florida, is a celery capital. In all such cases, it is not the wholesaling that is vital to the city but the particular product of the hinterland. The market extent of that product will determine how much coordination of supply and distribution is necessary. The wholesale aura of the town is simply that of a business operation that has attracted to it the corollary conveniences of urbanism. The variety and number of these conveniences will determine if the local population will frequent the town enough for it to become truly central.

If the assembly hinterland or market hinterland of a city engaged in wholesaling is sufficiently complex, it is quite likely that computers will be installed to reduce delivery delays. The middleman may have been an impersonal profiteer, but the coldly calculating attitude of the computer can make the Babbitt wholesaler look like your friendly neighborhood grocer. Dispensable middlemen are being replaced by the push-button, staccato emission of taped cost figures, carrier availability, and consumer demand estimates. The resultant decrease in the total and proportional number of wholesale employees can hardly be regarded as a slackening of the city's wholesale significance.

Nearly 30 years have elapsed since the Harris (1943) wholesale map was plotted and almost 15 years since Nelson's (1955) study. It may well be time to reassess the criteria of employment figures as an indicator of position in the wholesaling hierarchy. Recent *Censuses of Business* show a steady rise in the number of wholesale establishments as defined by the *Standard Industrial Classification Manual*. Where these new firms are and their areal impact on hinterland boundaries have scarcely been examined. Fragmentary studies in the Minneapolis-St. Paul trading area indicate a migration of wholesaling offices to the satellite towns as firms seek more space for their distributive facilities (Goldstucker, 1962). The modern wholesale operation would appear able to locate at several equally adaptable sites within its field of activity. The choice may no longer be made in absolute response to the immediate agricultural economy or to the traditional CBD but to the economic pressures of cost and space.

Changing wholesale business practices must effect internal as well as external variations in the use of commercial urban land. The site patterns of wholesaling within cities have been much less studied than that of the situational pattern. A recent master's thesis (Reseka, 1962) on Columbus, Ohio, outlined the direction that such an internal site study might take.

By using the Yellow Pages and a lot of legwork, the city's wholesale establishments in 1960 were defined, located and mapped. The largest concentration of wholesale firms was found in the CBD with a secondary complex of industrial and construction material dealers to the northwest. Wholesalers of consumer nondurables (beauty parlor, barber shop, and restaurant supplies) stretched along traffic arteries leading out of the CBD. Railroad-highway clusters constituted the most important locational influence outside the central areas, and distant warehouse complexes dealt with large quantities of merchandise or bulk items like petroleum.

Far more questions were raised by this study than were answered. How has this pattern changed through time? How has the wholesale pattern reflected and responded to the directions of growth taken by the city? What causes the concentration of wholesalers in certain areas? Do the wholesale office patterns of different commodities tend to have specific locational requirements? What economic or social influences contribute to the separation of the paperwork area from the warehouses? How many production firms have elected to maintain their wholesale offices? Are their workers listed as wholesale employees? How many wholesalers are totally symbiotic with their required retail outlets? How does a city with a large number of chain stores and mail order houses handle its wholesale dealings? How does the transportation network reflect the type of commodities being assembled or distributed? Can the trading area of a city be delimited by the travel distances covered by its major wholesalers?

The economic and physical relationship between wholesalers and production sites, retailers, transportation facilities, and consumers needs to be studied in urban site and in urban situation in order to deduce viable up-to-date generalizations. Cities like Dallas, Kansas City, Spokane, Enid, and several others can be the workshops for hammering out details, definitions, and ideas on the areal nature of wholesaling. With this foundation of substantiated hypotheses the cities of New York, Chicago, and Los Angeles could then be approached with considerably less academic trepidation. Eventually they too would assume a hierarchical position on the new maps of urban wholesaling patterns.

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