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CHALLENGES IN BARTER TRADE: PERSPECTIVES FROM BOTH SIDES OF THE PRACTICE DIVIDE

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Abstract: *Barter trade, often perceived as a relic of ancient economies, persists as a significant mode of exchange in contemporary commerce across the globe. Despite Adam Smith's characterization of barter as primitive, recent reports indicate its enduring relevance in both developed and developing economies. The Universal Barter Group (2008) highlighted its prevalence, with a substantial portion of global business conducted on a non-cash basis in 2004, involving a considerable share of entities listed on major stock exchanges and small businesses in the United States. While precise statistics on contemporary barter trading are scarce, indications from sources such as the Small Business Association (2008) and the International Reciprocal Trade Association (IRTA) (2009) suggest a growing trend. This resurgence, noted by researchers since the early 1990s, raises questions among economists, as observed by Davis (2009) and Carlin et al. (1999). Understanding the persistence and resurgence of barter trade in modern economies is essential for comprehending its implications on market dynamics, economic development, and policy formulation.*

Keywords: *Barter trade, Economic exchange, Contemporary commerce, Market dynamics, Economic development*

INTRODUCTION

In his 1776 Wealth of Nations report, Adam Smith described barter trade as primitive, crude and unrefined system of exchange (Kaikati, 1976). Barter trade is however still being practiced today in both developed and developing countries. The Universal Barter Group (2008) reported that in 2004, 30% of the world's total business was conducted on non-cash basis; 65% of all businesses listed on the New York Exchange and one third of all small businesses in the US were involved in barter trading. Despite lack of reliable up to date statistics on barter trading, the Small Business Association (2008) as well as the International Reciprocal Trade Association (IRTA) (2009) reported that there are enough indications

to show that barter trade is growing by the year (2005) observed that there has actually been a resurgence of barter trade in both domestic and international trade since the early 1990's. Davis (2009) as well as Carlin et al. (1999) observed that the persistence of barter trade is like a puzzle to some economists.

The purpose of this paper is to empirically investigate barter trade within a domestic market. Unlike international barter trade which takes place between traders located in different countries, domestic barter trade takes place between traders located with the same market.

Research problem and objectives

Although barter trade as a business practice has been growing, the growth has not been matched by growing research interest in the practice. This is particularly so with barter trade within domestic markets. Most of what is written on the subject is not based on empirical investigations. The few empirical studies available on domestic barter trade are mainly based on studies done in the USA, UK and Australia during the 1980's and 1990's. Furthermore, business literature on barter trade in general tends to concentrate more on its benefits, with little attention given to the difficulties and factors that would discourage companies from using it. Literature from the barter industry itself tends to list the many benefits associated with barter trade without mentioning the difficulties that firms may encounter in its use. Such information may be good in serving as promotional material for the industry but for companies interested in barter trading knowledge of the difficulties that may be encountered is also of high importance. Such knowledge can help firms be more pro-active in their barter trading activities so as to avoid the potential difficulties thereby improve on their chances of reaping more of the benefits associated with barter trading.

This paper aims at contributing to literature on barter trade by investigating the use of barter trade within a domestic market environment and understanding its associated difficulties. A sample of firms drawn from the South African media industry was used in the study. The media industry was chosen due to the fact that in many countries, domestic barter trading is said to be highly prevalent in this industry. Barter News (2009) noted that media is commonly used as the major 'currency' in the barter market place. South Africa is Africa's largest economy and has the biggest and most diverse media industry on the continent (World Advertising Research Centre, 2008). The industry is broadly subdivided into print media (newspaper and magazines), broadcasting (radio and television), outdoor and 'other' media. The outdoor media encompasses outdoor displays such as billboards, adverting and notices on bus shelters and vehicles including busses. The 'other' media category includes online media and use of cinemas to reach the public. Sales of advertising time and space are a major source of revenue for firms in the South Africa media industry. Media Facts (2009) reported that the total above-the-line-advertising was at R24.6 billion in 2008. This is advertising that reached a wide spectrum of the population and is channelled through advertising agencies. R10 billion of the 2008 advertising revenue went to television sector, R 9.3 billion to the print sector, the radio sector got R3.3 billion while the remainder went to the other media sectors. Competition for advertising revenue is considered to be very stiff in the industry. It is not uncommon for firms to have unfilled advertising time or space. Additionally, media space and time is highly 'perishable' in that it cannot be regained once the time to be used lapses. Barter trade has the potential to help firms prevent loss of revenue from unsold media space as media companies can exchange their unsold space for other valuable products and services to their firms.

The specific objectives of the paper are to (a) investigate how widely used barter trade is in the South African media industry, (b) establish the difficulties commonly associated with barter trading, (c) investigate if there are differences in perceived difficulties between barter trade practitioners and non-practitioners different sizes and (d) discuss the possible implications of the findings to the management of this trade.

Literature review

The 2006 edition of Collins English Dictionary defines barter trade as 'trading goods, services etc in exchange for other goods, services etc rather than money'. In its pure form, barter trade involves the direct exchange of goods and/or services between two or more trading partners without the exchange of money. Hennart (1990) observed that barter trade has changed over the years with newer forms commonly referred to as countertrade, characterised by variations of conditions and agreements. In this paper, barter trade is defined as any form of trade in which full or partial payment for goods and/or services is made using other goods and/or services.

According to literature as highlighted in the introduction, barter trade is growing worldwide by the year. A number of factors may help explain the growth in barter trade experienced over the past two decades. They include factors related to developments in information technology as well as the general business environment in which firms have to operate. Technological advances in computers and the advent of the internet in particular has made matching of needs much more easily today than was the case before (Stodder, 2000). The primary reason why barter trade is traditionally associated with high levels of inefficiencies is because of the need for double coincidence of wants from the parties involved. In traditional barter, a prospective seller of cloth looking for corn needed to find not just a seller of corn but one looking for cloth at that particular point in time. Through use of internet, a firm can make its products available to potential barter customers all over the country and even the world making it easy to find interested customers. Developments in information technology have also resulted in growth of the barter trade industry especially third-party organizations specializing in mediating between individuals and/or organizations in their barter exchanges. The barter brokers often help eliminate the need for double coincidence of wants, as many of them offer trade credits that can be redeemed at a later date (Orme, 2004).

Apart from developments in information technology, the general business environment that most businesses are operating in is characterized by increasing turbulence resulting often from growing competition among firms and/or unstable economic conditions. Difficult business environments require more creativity on the part of managers in order to keep their organizations going if not thriving. Bazar (2008) noted that barter trade is one such tool firms use in order to deal with difficult economic and business times. Egan and Shipley (1996) observed that strong latent demand often exists during difficult economic times only that it is often not satisfied as need to purchase is not matched with ability to pay. Through use of barter trade, firms are able to facilitate payments without the need for cash. Apart from helping during difficult economic times, barter trade has also been found to be a strategic tool that firms can use in order to drive greater efficiencies and deliver ongoing financial and marketing benefits irrespective of economic conditions. Some of the benefits commonly associated with barter trade include the fact that it helps conserve cash thereby improving on cash flow; generate incremental sales and profits; enhance productivity through increased capacity utilization; dispose unsold/excess inventory without having to discount heavily to normal cash paying customers thus maintaining present product price integrity as well as establishing and building long term business relationships based on trust (International Reciprocal Trade Association, 2009b; Ference, 2009; Cellarius, 2000).

Lithen (2002) noted that barter can indeed be a good deal for companies, but only if they enter it with their eyes wide open to the full spectrum of pitfalls and opportunities. A review of literature on domestic barter trade activities shows that there are many factors that can impede on the use of barter trade. Common difficulties range from those associated with negotiations and administrative requirements; product quality and disposal; use of intermediaries as well as with the impact of barter trade on the financial side of the business.

Ference (2009) observed that barter trade, unlike monetary transactions, is characterized by protracted negotiations before an agreement can be reached. While this gives an opportunity for the parties involved of knowing each other better, the negotiations can be too time-consuming depriving the staff involved of time for other business activities. Additional administrative staff may thus be required to not only negotiate but also to monitor, enforce and control the terms of barter deals.

Vendig (2003) as well as Mardak (2002) noted that barter trade often results from excess or 'distressed' inventory that is proving difficult to sell through normal cash channels. Barter trade can thus be used by companies to offload low-quality products. Verifying the quality of products offered may sometimes be difficult due to among other factors lack of knowledge or expertise in a particular product category. It would for example be difficult for a person to verify the quality of software program without the necessary information technology skills.

Neale et al. (1992) cautioned that firms need to be more discerning in the selection of goods receivable. In their study on countertrade practices among UK firms, they found that the number one difficulty was to do with firms having no 'in-house use' for goods offered. Firms may however accept goods that they do not have 'in house use' of with the intention of reselling them. Liesch and Palia (1999) found that this can also prove difficult. In their study on international countertrade practices among Australian firms, they found that the number one difficulty sited by counter traders was to do with the difficulty of reselling goods offered by customers. The fact that some firms may accept products with the intention of reselling them can also be a disadvantage in that the barter partners can now become competitors since they will be offering similar goods to the market.

In order to deal with the demands of barter trade, some firms make use of the services of barter brokers. As noted before, barter brokers can help in facilitating the matching of needs between firms as well as eliminate the need for double coincidence of needs by offering trade credits that can be redeemed at a later date. Barter brokers however charge for their services and Knes (2007) observed that the charges can often be exorbitant, thus diminishing the potential profits from barter trading. Problems may also arise in that it may become difficult to redeem accumulated trade credits due to continued unavailability of products of interest to an organization.

As barter trade involves exchanging goods for other goods, it has the potential to negatively impact on the cash flow of a company if not well managed. Statov (1996) cautioned that organizations need to be wary of accepting disproportionate amount of barter business compared to cash business as they still have expenses that needs to be paid for in cash such as salaries. Barter trade can also be a threat to the value of organizations products. Lee (2004) noted that most companies are often not willing to go public about their barter dealings as this can negatively impact on the perceived value of their products. The fact that barter trade is often associated with inventory that is proving difficult to sell for cash, open acknowledgement of the existence of such inventory in a company can greatly reduce the bargaining power of its sales people. Liesch and Palia (1999) found that 'problems with pricing' are very common among firms involved in countertrade. This may be due to difficulties in assigning monetary value to goods and/or services being offered for exchange.

From the review of literature, it is clear that despite its many associated benefits, there are many potential difficulties associated with barter trade which may prevent firms from engaging in it or optimally reaping its benefits.

RESEARCH METHODOLOGY

As not much empirical research has been conducted in the field of barter trade particularly within domestic markets, a multi-method research design was used in the study. The first phase consisted of qualitative exploratory research in the form of in-depth interviews with five executives from the media industry conversant with barter trading issues. The objective was to get their perspective on the use of barter trade in the South African media industry as well as its associated benefits, difficulties and management practices. The current paper focuses on the difficulties of barter trading. . Convenience sampling method was used to identify the executives with the main criteria being demonstrated knowledge and practical experience with this type of trade in the media industry.

From the findings in the in-depth interviews as well as review of literature, a structured questionnaire was developed for the quantitative phase of the study. A draft questionnaire was first developed and pre-tested on a convenience sample of 15 respondents from the media industry before coming up with the final version. The main reason for pre-testing the draft questionnaire was to find out if the questions used were easily understood by the respondents. The respondents were also asked to indicate any further questions that they would like to see investigated in the study or suggest question modifications if deemed necessary. The findings during the pre-testing stage showed that no major changes to the questionnaire were necessary. After pre-testing the draft questionnaire, a final version was developed taking into account the comments received in the pre-testing stage.

The final questionnaire was electronically mailed to a total sample of 120 organisations from the broadcasting, print and outdoor sectors of the media industry in South Africa. Stratified random sampling was used to select the firms from a sampling frame consisting of a total of 197 firms. The sampling frame used in the study was developed using media organisations listings by South African Government Communication and Information Systems (GCIS), Media Contact Directory, the Magazine Publishers

Association of South Africa (MPASA), and the Out of Home Media South Africa (OHMSA) members. Stratification was based on the media sector/subsector firms come from and included television, radio, newspaper, magazines and the outdoor sector. The firms in the sample were identified at strategic business unit level and not at corporate level as the media listings used had the firms at strategic business unit level.

The electronic mail containing an attachment of the structured questionnaire was e-mailed to the contact personnel in each of the identified firms. The e-mail contained information introducing the study and a request that the questionnaire be passed on to the senior person responsible for barter trade in their organisation or the marketing manager in the case where there was no such person. The e-mails were followed up with telephone calls for the purposes of finding out if the questionnaires had been received and passed on to the appropriate person. Contact details of the responding employee were solicited with the intention of making future follow ups.

At end of the data collection process, a total of 70 usable responses were obtained representing a total response rate of 58%. The data was analysed using Statistical Package for Social Science (SPSS) version 18.

Table 1. Involvement in barter trade by firm size.

Sector/sub-sector	Practitioners	Sector/sub-sector %	Non-practitioners	Sector/sub-sector %	All firms	Overall %
Newspaper	18	90	2	20	20	28.6
Magazine	11	91.7	1	8.3	12	17.1
Television	8	100	0	0	8	11.4
Radio	18	78.3	5	21.7	23	32.9
Outdoor	6	85.7	1	14.3	7	10.0
Total	61	87.1	9	12.9	70	100

RESULTS AND DISCUSSION

Table 1 gives some background statistics of the respondents focusing on a number of practitioners and non-practitioners by media sector/subsector. The results show that barter trade is a common practice in the South African media industry as 61 of the 70 respondents indicated using it. This represents 87.1% usage rate. The results also show that the practice is common across all media sectors/subsectors with three of the five sectors/ subsectors showing that 90% and over of their firms included in the sample engaged in the practice. None of the five sectors/subsectors had less than 75% of its firms involved in barter trading. The findings agree with BarterNews (2009:1) observation that barter trade is very common in the media industry in most countries. The perishable nature of media space/time makes barter trade a good option to consider as it can help a media company convert its unfilled advertising time and/or space into products, services or reciprocal advertising time and/or space that they might otherwise have to pay for.

Table 2 present findings relating to perceived difficulties of barter trade. Both practitioners and non-practitioners were asked to indicate the extent to which they regarded a number of factors as important difficulties associated with barter trade. The perceptions were measured using a five point Likert scale ranging from 1 (Strongly disagree (5 = strongly agree). The results in Table 2 include mean values on each of the difficulty investigated for barter trade practitioners, non-practitioners and all firms respectively.

Since mean values have been used in presenting the results, all mean values of 1 or to the nearest of 1 mean strong disagreement, those of 2 or to the nearest of 2 mean disagreement while those of 3 or to the nearest of 3 indicated a neutral position. Mean values of 4 or the nearest of 4 mean agreement while those of 5 or to the nearest of 5 mean strong agreement. Note that the means in the all firms column have been presented according to rank with the factors having the highest mean on top.

According to Table 2, results in the 'all firms' column show that firms regarded only 3 out of the 18 difficulties investigated as important difficulties of barter trading. These included the fact that barter trade could lead to mismanagement and fraud within the company if proper controls are not put in place; the fact that inability to fully control delivery of products/services provided by third parties may impact negatively on the image of the company as well as the difficulty associated with fluctuating value of goods as trading arrangements extend over a long period of time. These three factors had mean values of 4.20, 3.59 and 3.46, respectively. The results show that firms were neutral on all the other factors except one. They disagreed that difficulties in finding suitable markets for goods offered was an important difficulty of barter trade. This factor had an overall mean value of 2.41 while the others had mean value to the nearest of 3. This may be due to firms mostly accepting goods and/or services that they have in house use of. This point actually came up during the in-depth interviews, with the executives noting that companies are more likely to accept products and/or services they have internal use for. This is mostly because unlike in other countries notably the developed countries of USA, UK and Australia where they have a well developed barter trade exchange or brokerage system, the industry in South Africa is not all that well developed. Most of the barter exchanges would thus be at a one to one level with very little use made of dedicated barter brokers although advertising agents would sometimes play the middleman role.

Analysis of the difficulties at group level showed that both practitioners and non-practitioners regarded the fact that barter trade could lead to mismanagement and fraud within the company if proper controls are not put in place, the most important difficulty associated with barter trade. There were however wide variations in the perceptions of practitioners and non-practitioners regarding most of the difficulties investigated. According to the results in Table 2, practitioners regarded only two factors as important difficulties associated with barter trade. These included the fact that barter trade could lead to mismanagement and fraud within the company if proper controls are not put in place as well as the fact that inability to fully control delivery of products/services provided by third parties may impact negatively on the image of the company. These two factors had mean values of 4.15 and 3.52, respectively. The practitioners were neutral on all other factors except two to which they disagreed. These included difficulties in finding in-house use for goods received/offered through barter trade and difficulties in finding suitable markets for goods offered. These two factors had mean values of 2.44 and 2.38, respectively.

The non-practitioners on the other hand regarded 13 of the 18 factors as important difficulties associated with barter trade and were neutral on the remaining 5 factors. This means that they did not disagree with any of the 18 factors being important difficulties associated with barter trade. The results also show that non-practitioners unlike practitioners not only regarded many factors as important impediments to barter trade but for each of the factors except one, namely that customers become competitors when they trade products offered in barter to other parties; their mean values were higher than those of practitioners. This means that non-practitioners regarded the difficulties as in general of greater magnitude than the practitioners. This is further supported by overall perception of difficulties which was calculated as a summated average of the 18 factors. The results on 'overall difficulties' showed that non-practitioners overall average was 3.62 while that of practitioners was 3.09.

From the results of practitioners and non-practitioners, it can be seen that the high neutral values of practitioners contributed a lot to having high neutral means values on most factors when all firms were considered together. A further analysis was conducted on the results of practitioners to find out why most of the factors come out with neutral mean values. This was done by examining the distribution of answers along the 5 points of the Likert scale. The analysis involved calculating the percentage of firms who indicated strong agreement or agreement with the factors followed by those who were neutral and those who indicated agreement or strong agreement. Table 3 presents the results of the analysis.

According to Table 3, the only factor to which most of the respondents agreed or strongly agreed to as being an important difficulty to barter trade was the fact that barter trade could lead to mismanagement and fraud within the company if proper controls are not put in place. 80.3% of the respondents agreed or strongly agreed with this statement, 8.2% were neutral while 11.5% disagreed or strongly disagreed. Five other factors, making it 6 out of the 18 had levels of agreement/strong agreement or disagreement/strong disagreement of over 50%. 54.1% of the firms agreed/ strongly agreed to two of the five factors being important difficulties to barter trade. These included the fact that inability to fully control delivery of products/services provided by third parties may impact negatively on the image of the company and the problem of fluctuating value of goods because of trading arrangements extending over a long period of time. The percentage levels of disagreement and strong disagreements were greater than 50% for difficulties relating to finding suitable markets for goods offered; finding in-house use for goods received/offered through barter trade and the difficulty of inspecting the quality of goods offered in barter. The three factors had 62.3, 60.7 and 52.5% of the firms disagreeing or strongly disagreeing to them being important factors to barter trade.

Of the 14 factors that had neutral mean values, the results according to Table 3 show that only two factors namely diminished working capital flow therefore limiting financial resources available to the firm and unscrupulous middlemen who misrepresent goods on offer, had indeed more firms percentage wise who were neutral than the none-neutral ones. This shows that most of the factors with neutral mean values on the part of practitioners were due to divergent perceptions with some firms agreeing to the factors being important difficulties of barter trading while many others regarding the same factors as not important difficulties of barter trading. This being the case, it is also important to note that on 11 of the 18 factors, there was higher percentage of firms agreeing or strongly agreeing to them being important difficulties to barter trade than those that disagreed or strongly disagreed.

Table 2. Mean values – perceived difficulties of barter trading.

	Practitioners	Std deviation	Non-practitioners	Std deviation	All firms	Std deviation
Barter could lead to mismanagement and fraud within the company	4.15	1.09	4.56	0.53	4.20	1.04

if proper controls are not put in place						
Inability to fully control delivery of products/services provided by third parties may impact negatively on the image of the company	3.52	1.18	4.00	0.00	3.59	1.11
Fluctuating value of goods because of trading arrangements extend over a long period of time	3.38	1.08	4.00	0.00	3.46	1.03
Problems redeeming accumulated trade credits within the stipulated time period	3.21	1.04	4.11	0.33	3.33	1.02
Diminished working capital flow therefore limiting financial resources available to the firm	3.38	1.04	4.00	0.50	3.29	0.99
Time consuming negotiations	3.15	1.01	4.00	0.87	3.26	1.38
High brokerage costs when using agents	3.18	1.42	3.67	0.97	3.24	1.03
Product quality not conforming to specifications promised during negotiations	3.10	1.12	4.11	0.33	3.23	1.11
Uncertainty in projecting the profitability of any given transaction	3.13	1.09	3.56	0.73	3.19	1.05
High administrative burden associated with barter trade	3.07	1.11	3.89	0.78	3.17	1.10
Barter trade is a threat to the company's money paying customer base	3.05	0.97	3.78	0.67	3.14	0.97

Difficulties in determining the monetary value of goods offered/received in barter	3.03	1.17	3.11	1.05	3.04	1.15
Barter trade can devalue a company's products	2.92	1.12	3.78	0.44	3.03	1.11
Unscrupulous middlemen who misrepresent goods on offer	2.89	1.21	3.22	1.12	2.93	1.20
Customers become competitors when they trade products offered in barter to other parties	2.82	0.91	2.78	0.97	2.81	0.91
The difficulty of inspecting the quality of goods offered in barter	2.70	1.05	3.56	0.88	2.81	1.07
Difficulties in finding in-house use for goods received/offered through barter trade	2.44	0.90	2.78	0.83	2.49	0.90
Difficulties finding suitable markets for goods offered	2.38	1.00	2.67	1.42	2.41	0.86
Difficulties - overall	3.09	0.53	3.62	0.28	3.16	0.53

Table 3. Difficulties of barter trading – further analysis of practitioners perceptions.

	Practitioners			
	SDA/DA %	Neutral %	A/SA %	Mean
Barter could lead to mismanagement and fraud within the company if proper controls are not put in place	11.5	8.2	80.3	4.15
Inability to fully control delivery of products/services provided by thirds parties may impact negatively on the image of the company	26.2	19.7	54.1	3.52
Fluctuating value of goods because of trading arrangements extend over a long period of time	26.2	19.7	54.1	3.38
Problems redeeming accumulated trade credits within the stipulated time period	34.4	16.4	49.2	3.21
Diminished working capital flow therefore limiting financial resources available to the firm	18.0	50.8	31.2	3.38
Time consuming negotiations	34.4	16.4	49.2	3.15
High brokerage costs when using agents	37.7	19.7	42.6	3.18
Product quality not conforming to specifications promised during negotiations	37.7	19.7	42.6	3.10
Uncertainty in projecting the profitability of any given transaction	32.8	31.1	36.1	3.13
High administrative burden associated with barter trade	36.1	23.0	41.0	3.07
Barter trade is a threat to the company's money paying customer base	37.7	21.3	41.0	3.05
Difficulties in determining the monetary value of goods offered/received in barter	47.5	9.8	42.6	3.03
Barter trade can devalue a company's products	41.0	23.0	36.0	2.92
Unscrupulous middlemen who misrepresent goods on offer	37.7	41.0	21.3	2.89
Customers become competitors when they trade products offered in barter to other parties	41.0	36.0	33.0	2.82
The difficulty of inspecting the quality of goods offered in barter	52.5	16.4	31.1	2.70

Difficulties in finding in-house use for goods received/offered through barter trade	60.7	23.0	16.4	2.44
Difficulties finding suitable markets for goods offered	62.3	26.2	11.5	2.38

*SDA = Strongly disagree; DA = Disagree; A = Agree; SA = Strongly agree.

CONCLUSIONS AND MANAGERIAL IMPLICATIONS

From the results of this study, it can be concluded that barter trade is a very common practice among firms in the South African media Industry. Its practice cuts across all the media sectors and subsectors.

The high prevalence rate of barter trade in the industry offers opportunities for firms facing monetary constraints in their efforts of promoting their products in the market to consider doing some of their business using barter trade. Such firms will need to find out the kind of products or services they can offer to media organisations in exchange for promotional space and/or time. The high prevalence rate is also a vote of confidence in the many possible benefits firms can derive from this practice. Instead of completely losing out on sales or heavily discounting advertising space and/or time which are often the case when supply exceeds demand, barter trade can offer media firms opportunities to earn normal advertising income.

Investigations on perceived difficulties of barter trade show that in general, non-practitioners associated barter trade with more difficulties than practitioners. This is more likely to be due to lack of adequate knowledge of the trade on their part. The fact that those practising the trade in general perceive very few difficulties shows that the practice is manageable. Non-practitioners can learn from this to start interrogating the basis of their perceptions and looking at ways employed by the practitioners in managing various perceived difficulties. The high prevalence rate of barter trade in the industry should also act as a wake-up call for those not involved in the practice to look at possible benefits that can be derived from engaging in such a practice.

Although the overall results on difficulties perceived by practitioners showed that only two factors were regarded as important difficulties associated with barter trade, further analysis of the results showed that for most of the factors there were widely diverging perceptions with regards to the importance of the various difficulties. This was more pronounced in the factors that resulted in neutral mean values. While some firms regarded various factors as important difficulties associated with barter trade just as many others regarded the same factors as not very important. This shows that for a firm wanting to engage in barter trading, it is important to bear in mind the many potential difficulties that may lie ahead. Such knowledge will help firms to be prepared to take proactive measures with the aim of avoiding these potential difficulties. For firms already involved in barter trade and facing a lot of difficulties, the findings of this study show that there are many other firms that do not regard the same factors as important difficulties in their barter trading activities. Open discussions of barter trading activities in the industry at various forums in the industry can help promote knowledge of good management practices and also reduce the secrecy that often surrounds barter trade.

LIMITATIONS AND FURTHER RESEARCH

The low numbers of non-practitioners relative to practitioners is one of the main limitations of the study. Future research undertaken on the topic should take measures to ensure a good balance between practitioners and non-practitioners or focus on the nonpractitioners alone. Future studies can also investigate barter trade in other industries. This would allow for comparisons to be made and industry specific factors relevant to understanding barter trade uncovered thereby further enhancing our understanding of the practice.

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