

COMPARATIVE ANALYSIS OF PROFIT MAKING IN SPARE PART MERCHANDIZING AND MOTOR MECHANIC AS A PROFESSION IN ILORIN, KWARA STATE**BY****Wahab, Babatunde Habeeb: Technical Education Department, School of Vocational and Technical Education, Kwara State College of Education, Ilorin****Owolaye, Janet Modupe: Business Education Department, School of Vocational and Technical Education, Kwara State College of Education, Ilorin****Zakary Adegboye Hussein: Technical Education Department, School of Vocational and Technical Education, Kwara State College of Education, Ilorin****Saka-Alikinla, Issa: Technical Education Department, School of Vocational and Technical Education, Kwara State College of Education, Ilorin****Ojo, Adesanmi: Agricultural Science Education Department, School of Vocational and Technical Education, Kwara State College of Education, Ilorin****Abstract**

Motor spare part merchandizing and motor mechanic as a profession are common professions in Nigeria. However, there is a noticeable difference between income levels and profit margins of spare part merchandizes and motor mechanics. Thus, this study makes a comparative analysis of profit making in spare part merchandizing and motor mechanic as a profession. The objectives were to compare the income levels and profit margins of spare part merchandizes and motor mechanics, and identify the difference between factors that affect the profitability of spare part merchandizing and motor mechanic as a profession in Ilorin, Kwara State. The methodology adopted by the study was the survey research design. The population of the study comprised all spare part merchandizes and professional mechanics in Ilorin, Kwara State. Convenient sampling technique was used to select 100 each of spare part merchandizes and motor mechanics respectively because of the scattering spatial pattern of the motor mechanic workshops in Ilorin, Kwara State. Questionnaire and guided interviews were used to gather information from the respondents, while Pearson product moment correlation coefficient was used to test the hypotheses formulated. The study found that there is a significant difference between income levels and profit margins of the two professionals, while there is no significant difference between the factors that affect the profitability of spare part merchandizes and professional mechanics in Ilorin, Kwara State. The study concludes that both motor spare part merchandizing and motor mechanic as a profession are profitable in Ilorin, Kwara State. However, spare part merchandizing is more profitable, while the profitability of the two professionals is affected by the same factors. Based on its findings the study recommends that federal and state government in Nigeria should incorporate entrepreneurship skill acquisition training in their poverty eradication programmes to encourage prospective motor mechanics learn the profession through formal education.

Keywords: Comparative analysis, profit making, spare parts merchandizing, motor mechanic, profession

Introduction

Spare parts merchandising refers to the process of promoting and selling spare parts for machinery, equipment, or vehicles. It is an essential aspect of the supply chain management for manufacturing and maintenance industries. Spare parts merchandising plays a vital role in ensuring the availability of spare parts for machines, which helps in reducing downtime and increasing productivity. To be successful in spare parts merchandising, it is essential to have a clear understanding of the target market, the types of spare parts needed, and the price points that customers are willing to pay. Companies must maintain a vast inventory of spare parts and ensure that they are easily accessible to customers. It is also important to provide customers with technical support and guidance on the selection of the right spare parts for their needs. Effective spare parts merchandising involves the use of various marketing techniques to promote products and services. This may include print and digital advertising, direct mail campaigns, social media marketing, and attending trade

shows and exhibitions. Companies may also provide incentives such as discounts, loyalty programs, and warranties to attract and retain customers. In addition, companies may use various technologies to improve their spare parts merchandising efforts. This may include the use of e-commerce platforms, mobile apps, and inventory management systems to streamline the ordering process and improve customer experience. It is also essential to maintain accurate records of spare parts inventory, sales, and customer data to help inform decision-making and improve overall performance. In line with spare part merchandising is motor mechanic profession.

Motor mechanics are professionals who specialize in the maintenance and repair of vehicles. This profession is critical to ensuring that vehicles remain in excellent condition, and it is essential for the smooth running of the transportation industry. In Nigeria, motor mechanics are in high demand due to the number of vehicles on the roads and the need for maintenance and repair services. To become a motor mechanic in Nigeria, an individual must undergo a technical training program, which can last between one and three years, depending on the level of certification. The training program equips the individual with the necessary skills to diagnose and repair various types of vehicles, including cars, buses, and trucks. In addition to technical skills, a motor mechanic in Nigeria must also have strong problem-solving skills, as well as the ability to work well under pressure.

One of the advantages of pursuing a career as a motor mechanic in Nigeria is that it is relatively easy to start a business in this field. Many motor mechanics in Nigeria work as freelancers, providing repair services to clients in their local communities. However, starting a successful motor repair business requires a significant investment in tools, equipment, and marketing. Another advantage of becoming a motor mechanic in Nigeria is that there is a constant demand for their services. As more people in Nigeria own cars, the demand for maintenance and repair services continues to grow. This means that a motor mechanic in Nigeria can expect a steady stream of clients and a reliable income. Despite the advantages of becoming a motor mechanic in Nigeria, there are also some challenges. One of the main challenges is the lack of formal regulation in the industry. This means that anyone can start a motor repair business, regardless of their level of expertise or training. As a result, there is a risk of poor quality work and unscrupulous practices.

Spare parts merchandising is an important aspect of the manufacturing and maintenance industry. Companies must focus on providing high-quality spare parts, maintaining a vast inventory, and using effective marketing techniques to promote their products and services. By adopting the latest technologies and best practices, companies can improve customer experience, increase sales, and drive overall growth. Meanwhile, becoming a motor mechanic in Nigeria can be a rewarding and lucrative profession. However, it requires technical skills, problem-solving abilities, and a willingness to work hard. With the right training and investment in tools and equipment, a motor mechanic in Nigeria can build a successful business and provide essential services to their local community.

Statement of the Problem

In Nigeria, there is a growing interest in entrepreneurship and self-employment, and many individuals are exploring different options for starting their own businesses. Two popular options are spare part merchandizing and motor mechanic as a profession. Both of these professions are related to the automobile industry, which is a significant contributor to the Nigerian economy. However, it can be challenging for individuals to decide which of these options is more profitable and sustainable in the long run. The purpose of this study is to conduct a comparative analysis of the profitability of spare part merchandizing and motor mechanic as a profession in Nigeria. The study will examine the various factors that contribute to the profitability of these two options, including demand, competition, pricing, and overhead costs. It will also consider the challenges faced by both spare part dealers and motor mechanics, such as access to credit, availability of spare parts, and technical skills.

Objectives of the Study

The main objective of the study is to compare the profitability of spare part merchandizing and motor mechanic as a profession in Ilorin, Kwara State. Specifically the study aims at:

1. compare the income levels and profit margins of spare part merchandizes and motor mechanics in Ilorin, Kwara State; and
2. identifying the difference between factors that affect the profitability of spare part merchandizing and motor mechanic as a profession in Ilorin, Kwara State.

Research Hypotheses

Ho₁: There is no significant difference between income levels and profit margins of spare part merchandizes and motor mechanics in Ilorin, Kwara State.

Ho₂: There is no significant difference between factors that affect the profitability of spare part merchandizing and motor mechanic as a profession in Ilorin, Kwara State.

Literature Review

Concept of Spare Part Merchandizing in Nigeria

Spare part merchandizing is a vital aspect of the automobile industry in Nigeria. It involves the buying and selling of vehicle components such as engines, transmission systems, suspension, braking, and electrical systems, among others (Ologunde & Akinyemi, 2018). The demand for spare parts in Nigeria is significant due to the large number of vehicles on the roads, as well as the harsh driving conditions that often lead to wear and tear. As a result, the spare parts market in Nigeria is a significant contributor to the economy, providing employment and generating revenue. The spare parts market in Nigeria is characterized by a diverse range of products, from new and genuine parts to fairly used or refurbished ones (Oladipo & Olofinyehun, 2017). The availability of these different types of spare parts caters to the different segments of the market, ranging from high-end car owners to middle and low-income earners. The market also includes original equipment manufacturers (OEMs) who produce spare parts for specific vehicle brands and models, as well as non-OEMs who produce generic spare parts that fit a wide range of vehicles (Obiajulu, 2018).

Spare part merchandizing in Nigeria is dominated by small and medium-scale businesses, who source their products locally or from overseas markets such as China, Japan, and the United States. According to Ologunde and Akinyemi (2018), these businesses operate in dedicated markets, shops, or roadside stalls, where customers can easily locate them. Due to the competitive nature of the market, pricing is often a critical factor in determining the success of a spare part merchandizing business. As such, most dealers in the industry often engage in aggressive pricing strategies, discounts, and promotions to attract and retain customers.

Challenges Facing Spare Part Dealers in Nigeria

Spare part dealers in Nigeria face several challenges that impact their profitability and sustainability. According to Adekanye (2017), these challenges include the proliferation of counterfeit products, high tariffs and import duties, inadequate infrastructure, inadequate financing, competition, and lack of technical skills. One of the significant challenges facing spare part dealers in Nigeria is the proliferation of counterfeit and substandard products in the market. These products are often cheaper than genuine parts, making them attractive to consumers, even though they are of lower quality and may pose a risk to the safety and longevity of their vehicles. The presence of counterfeit products also undermines the credibility and reputation of genuine dealers in the market (Adebayo & Akinade, 2022).

The high tariffs and import duties imposed on spare parts by the Nigerian government make it difficult for spare part dealers to import products at affordable prices (Olawale, Omoregie & Owie, 2019). These high costs are often passed on to consumers, making it challenging to compete with cheaper, counterfeit products. The high tariffs also discourage foreign investment in the industry, limiting the range of products available in the market. Furthermore, the lack of adequate infrastructure, such as good road networks, power supply, and

storage facilities, makes it challenging for spare part dealers to transport and store their products (Fawehinmi, 2021). This inadequacy often results in damages and losses to products, leading to a reduction in profitability.

Access to financing is a significant challenge facing spare part dealers in Nigeria. The high cost of borrowing from banks and other financial institutions makes it difficult for them to expand their businesses or invest in new products. This lack of access to finance limits their ability to grow their businesses and compete effectively in the market. Likewise, the spare part industry in Nigeria is highly competitive, with many small and medium-scale businesses vying for customers. The competitive nature of the industry often results in price wars and aggressive pricing strategies that can impact the profitability of spare part dealers (Adekanye, 2017). Furthermore, spare part dealers also face lack of technical skills. The automobile industry is rapidly evolving, with new technologies and products being introduced regularly. Spare part dealers who lack the technical skills and knowledge to keep up with these changes may struggle to compete effectively in the market (Adeoye, 2018). Addressing these challenges will require a concerted effort by all stakeholders, including government, industry associations, and the private sector, to improve the operating environment for spare part dealers and promote the growth and development of the industry.

Motor Mechanic as a Profession in Nigeria

Motor mechanics play a critical role in the Nigerian economy. They provide essential services that keep the country's vast fleet of vehicles operational, ensuring that people and goods can move efficiently across the country. The profession has evolved over the years, from the traditional roadside mechanic to more sophisticated garages and repair centers. To become a motor mechanic in Nigeria, one typically undergoes a period of apprenticeship under an experienced mechanic. This apprenticeship can last several years and involves learning the skills required to diagnose and repair various types of vehicles. In some cases, aspiring mechanics may also attend vocational schools or technical colleges to gain formal education in automotive technology. The concept of motor mechanic as a profession in Nigeria refers to individuals who provide maintenance and repair services for vehicles, ranging from cars to trucks and buses. In Nigeria, the profession of motor mechanic is an important part of the automotive industry, which is a significant contributor to the country's economy. Motor mechanics in Nigeria are typically trained through apprenticeship programs, where they learn the necessary skills to diagnose and fix a wide range of mechanical issues in vehicles. As a profession, motor mechanics in Nigeria are responsible for ensuring the safe and reliable operation of vehicles, which is essential for the transportation of people and goods across the country. They work in a variety of settings, from small-scale repair shops to large dealerships and service centers. Many motor mechanics in Nigeria also operate their own businesses, providing repair and maintenance services to customers in their local communities. In Nigeria, the profession of motor mechanic encompasses a variety of specialties and specializations (Adetunji & Omotosho, 2019). Each of these types of motor mechanics in Nigeria requires specialized training and expertise. While some mechanics may have a general knowledge of all these areas, most specialize in one or more of these areas to provide more specialized services to their customers. Regardless of their specialty, motor mechanics play a critical role in keeping Nigeria's vehicles on the road and contributing to the country's economy.

General mechanic is the most common type of motor mechanic in Nigeria. They are trained to diagnose and repair a wide range of mechanical issues in vehicles, from basic maintenance tasks like oil changes and brake replacements to more complex tasks like engine overhauls. Another important type of mechanic in Nigeria is electrical mechanic (Adetunji & Omotosho, 2019). This type of motor mechanic specializes in the electrical systems of vehicles. They are trained to diagnose and repair problems with the car's battery, starter motor, alternator, and other electrical components. Transmission mechanics specialize in the repair and maintenance of vehicle transmissions. They are trained to diagnose and repair issues with both manual and automatic transmissions. Suspension mechanics specialize in the repair and maintenance of a vehicle's suspension system. This includes the shocks, struts, and other components that help to absorb bumps and vibrations on the road.

One other type of motor mechanic is air conditioning mechanic. Air conditioning mechanics specialize in the repair and maintenance of a vehicle's air conditioning system. They are trained to diagnose and repair issues with the compressor, evaporator, and other components of the system. Bodywork mechanics specialize in the repair and maintenance of a vehicle's bodywork. This includes repairing dents and scratches, replacing damaged panels, and repainting the vehicle. Also, there are other motor mechanics who specialize in diesel engines. These are known as diesel mechanic. Diesel mechanics specialize in the repair and maintenance of diesel engines, which are commonly found in commercial trucks and buses. They are trained to diagnose and repair issues with the engine's fuel system, exhaust system, and other components.

Challenges Facing Motor Mechanic in Nigeria

Despite the fact that motor mechanic as a profession plays a vital role in keeping the vast fleet of vehicles in the country operational, thereby enabling people and goods to move around efficiently, the profession is not without its challenges. Afolayan and Adetola (2020) asserted that the lack of formal education, limited access to modern diagnostic equipment, the proliferation of counterfeit spare parts, competition, negative perception, and lack of government support are some of the significant challenges that mechanics in Nigeria face. The majority of motor mechanics in Nigeria do not have any formal education in automotive technology. This can make it difficult for them to diagnose and repair complex vehicle problems that require modern diagnostic tools and techniques. In the same vein, the high cost of purchasing and maintaining modern diagnostic equipment can be a significant challenge for many motor mechanics in Nigeria (Oshewolo & Olasehinde, 2018). The lack of access to these tools can make it difficult for mechanics to provide quality repair services, leading to a loss of customers and income.

Counterfeit spare parts also serve as a bottleneck to motor mechanic as a profession in Nigeria. The proliferation of counterfeit and substandard spare parts in the Nigerian market is a significant challenge for motor mechanics. These parts can fail easily, leading to accidents and injuries, and can also damage the reputation of honest and reputable mechanics. The motor mechanic profession is highly competitive, with many small garages and roadside mechanics competing for a limited number of customers. This competition can lead to price undercutting and unethical practices, making it difficult for honest mechanics to make a living. The negative perception of the motor mechanic profession in Nigeria can also be a significant challenge. Many people believe that mechanics engage in unethical practices, such as overcharging and recommending unnecessary repairs. This perception can make it challenging for honest and reputable mechanics to build and maintain a loyal customer base. The government has not provided adequate support to the motor mechanic profession in Nigeria. The lack of government support makes it difficult for mechanics to access training, equipment, and financing, hindering their ability to grow and expand their businesses.

Methodology

This study adopted descriptive survey of cross-sectional type which mainly uses research questionnaires. The population for this study consists of the professional motor spare part dealers and professional motor mechanics in Ilorin, Kwara State. The scattering spatial pattern of professional spare part dealers and professional motor mechanics made the study to adopt convenient sampling technique to select 100 each of professional motor spare part dealers and professional motor mechanics respectively. Professional motor spare part dealers were selected from the two major markets in Ilorin, that is, Pata Oloje (used and refurbished motor spare parts) and Agaka market (new motor spare parts). The instrument used to collect data for this study was a self-designed questionnaire. The instrument was administered to the respondents who completed the same. The entire 200 copies administered were retrieved and analysed. The analysis of data obtained was done using Pearson product moment correlation for testing the three hypotheses formulated at 0.05 level of significance.

Data Analysis and Discussion of Findings

Ho₁: There is no significant difference between income levels and profit margins of spare part merchandizes and motor mechanics in Ilorin, Kwara State.

Table 1: Correlational analysis of difference between income levels and profit margins of spare part merchandize and motor mechanics

Variables	N	X	SD	Df	Calculated value	Critical value	Decision
Professional spare part dealers	100	32.53	6.14				
				198	.063	.138	Ho ₁ rejected
Professional motor mechanics	100	31.28	8.09				

As shown in table 1, the calculated r-value of .063 is less than the critical r-value of .138 at 0.05 level of significance and for 198 degree of freedom. Therefore, the hypothesis which states that there is no significant relationship between income levels and profit margins of spare part merchandizes and motor mechanics in Ilorin, Kwara State is hereby rejected. A significant difference exists between the income levels and profit margins of spare part merchandizes and motor mechanics in Ilorin, Kwara State. This study reveals that the level of income of spare part merchandizes is higher than that of professional motor mechanics and they also have more profit margins than professional motor mechanics.

Ho₂: There is no significant difference between factors that affect the profitability of spare part merchandizing and motor mechanic as a profession in Ilorin, Kwara State.

Table 2: Correlational analysis of difference between factors that affect the profitability of spare part merchandizes and motor mechanic as a profession

Variables	N	X	SD	Df	Calculated value	Critical value	Decision
Professional spare part dealers	100	32.69	6.93				
				198	.857	.138	Ho ₂ accepted
Professional motor mechanics	100	28.94	9.11				

Table 2 indicates that the calculated r-value .857 is greater than the critical r-value of .138 at .05 level of significant for 198 degree of freedom. Hence, the hypothesis which states that there is no significant difference between factors that affect the profitability of spare part merchandizing and motor mechanic as a profession in Ilorin, Kwara State is accepted. This implies that no significant difference between factors that affect the profitability of spare part merchandizing and motor mechanic as a profession.

Discussion of the Findings

The finding from the Table 1 revealed a significant difference between levels of income and profit margins of spare part merchandizes and motor mechanics in Ilorin, Kwara State. It indicated that level of income of spare part merchandizes is higher than that of motor mechanics. This finding is congruent with the study of Oshewolo and Olaseshinde (2018) who asserted that the majority of motor mechanics in Nigeria do not have any formal education in automotive technology and that the high cost of purchasing and maintaining modern diagnostic equipment drain the profits that motor mechanics make. However, the findings from the Table 2 showed that there is no significant difference between the factors that affect the profitability of spare part merchandizing and motor mechanic as a profession in Ilorin, Kwara State. Factors such as the proliferation of counterfeit spare parts, competition, negative perception, and lack of government support are some of the significant challenges that spare part merchandizes and motor mechanics in Nigeria face.

Conclusion

Both motor spare part merchandizing and motor mechanic as a profession in Nigeria are profitable in Ilorin, Kwara State. However, spare part merchandizing is more profitable. Meanwhile, there is no significant

difference between the factors that determine profitability of the two professions. The professions are facing the same challenges.

Recommendations

Based on the findings of this study, the following recommendations were made:

1. The federal and state government in Nigeria should incorporate entrepreneurship skill acquisition training in their poverty eradication programmes to encourage prospective motor mechanics learn the profession through formal education.
2. The federal, state and local governments in Nigeria should organise regular entrepreneurship training where spare part merchandizes and motor mechanics acquire technical, managerial and leadership skills.

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