

CHALLENGES AND SUCCESS DRIVERS OF MOTORCYCLE SPARE-PARTS PRIVATE LABEL BRANDS IN SOUTHEAST NIGERIA.

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ABSTRACT

The motivation of this study is the observed increase of motorcycle spares parts private labels (PLs) in the southeast Nigeria, therefore warranting empirical probing to identify success factors and major challenges to motorcycle spare parts PL in Nigeria. The study is guided by three objectives and three hypotheses formulated to address the objective. Four point likert scale questionnaire was designed and primary data were drawn from 23 PL managers or owners at Nnewi, Southeast Nigeria. Principal component analysis and t-statistics were adopted for data reduction and for hypothesis testing respectively. The major finding of this study is that to gain control is the major reason for development of private label; self-gratification is the key success factor of PLs; and piracy or absences of regulation is the main challenge of PLs survival. Accordingly, this led to the conceptualization of the Private Label Survival Triangle. Key recommendation is the urgent need for government to regulate the motorcycle spare parts PL sector.

Key words: Private labels (PLs), Principal component analysis, Motorcycle spares parts

1. Introduction

Private labels (PLs) are products owned and/or licensed for exclusive use by businesses for distribution in their respective markets (Schutte, 1969 cited in Dick, Jain, and Richardson, 1995) and has emerged as one of the key realities of contemporary global marketing system. Increasingly, retailers attempt to develop their PLs due largely to control and high margins associated with PLs (Terpstra and Sarathy, 1994). Private labels are not just increasingly becoming important, but also they are global phenomenon and are significantly contending with the national and international brands (Chimhundu, 2011; Herstein and Gamel, 2004). Although there is lack of statistics regarding the market share of PLs in Nigeria (this can be estimated by observation in the market), in Europe and the US the PLs continue to hold almost half of the market share in the category. For instance, Dick, Jain, and Richardson (1995) reported that in UK the volume of market share is 35%, in Spain it is 50%, while it is modest in the US at 13%. According to Private Label Manufacturers Association (PLMA) (2010) cited in Altintas et al (2010), in countries such as Germany, Belgium, the UK, Austria and Spain, total share of private labels had nearly approached 40%.

Just like in Europe and in the US, private labels are also gaining dominant position in Nigeria. A cursory observation in key markets in the southeast of Nigeria, such as Onitsha main market, Nnewi spare parts market both in Anambra state, and Ogbete main market in Enugu state bears eloquent testimony to the significant incursions motorcycle-spare parts PLs are making in the market, thereby carving out a niche and market share for themselves. Arguably, these market territories (Onitsha, Nnewi, and Enugu), which traditionally belonged to the national brands, are now being strongly contested by the presence of PLs in different categories.

Granted that PLs are gaining meaningful inroads into key markets in southeast Nigeria, a number of issues regarding them, such as their success factors and challenges have not been empirically reported in mainstream literature.

Statement of Problems

Extant literature is replete with empirical reporting of PLs. However, a detailed examination shows that private labelling is underreported, particularly with respect to their success factors and challenges in Nigeria. Previous studies such as the works of Song (2009), Dick et al (1995), Grabrieisen (2001), Collins-Dodd (2003) all focused on developed market context where the private sector is highly encouraged and the private label phenomenon is rife. In the emerging markets, such as Nigeria, the private label phenomenon since the 1980s has been noticed among the Igbo entrepreneurs following their high entrepreneurial drive, yet their activities have been underreported in mainstreams private label discourse. The western dominance of literature is also corroborated by Song (2009) as he sustained that “the development of private labels varies notably from Western to non-Western markets. The former market has a very advanced private label program in terms of quality and market share, while the latter is at an early stage of development. As a result, the majority of the research has been drawn from the Western market...”

Closely related to the above is the fact that national and international brands are commonplace in Nigeria and suddenly appeared PLs and they are gradually taking over the market leadership in some market niches in the marketplace, for instance the motorcycle spare-parts market etc. Reasons for this success and their challenges are yet to be documented in the literature. Arguably, what constitutes success factor for PLs in the western context may not exactly constitute success factor in the Nigerian context, therefore warranting empirical probing to identify success factors and major challenges to PL in Nigeria. These issues have created obvious knowledge-gap in the literature that warrants to be filled.

1.1 Objectives of the Study

The main objective of this study is to examine or identify factors that promote the success of PLs in Nigeria and to document challenges PLs face, especially in the globalized market system. From this objective, the following specific objectives are derived: to determine the reasons why retailers develop and launch own PLs; to identify the key success factors that has encouraged PLs maintenance in the market; and to find out if there are challenges in the sustenance of private labels.

1.2 Justification for the study

This study is significant in a number of ways. First, knowledge from PL studies in Nigeria will help to reinforce the success of existing PLs and foster the emergence for new ones. Arguably, these would impact on the development of private entrepreneurship and the economy at large.

Second, this study will not only swell literature of private label, but also, it will add fresh voice to the PL literature in the underreported zone. Tangential to this is the fact that most previous studies has focused on PLs consumers, with no attention to motorcycle spare parts PL retailers, which are dominant in the Nnewi region of southeast Nigeria.

2. Literature Review

2.1 Motivations for PLs

Several factors have encouraged the private label phenomenon. The study of Gomez and Rubio (2008) shows that the growth of private labels is due to factors such as retail concentration, retailers' marketing strategies, economies of scale, size of national brand market and consumer acceptance. Terpstra and Sarathy (1994) cited in Altintas et al (2010) in their study reported that retailers increasingly attempt to develop their private label products due to control and high margins that private labels provide to them. To some retailers, private labels are a tool for controlling the channel and reducing the dependence of the store on national brands (Tamilia et al, 2000).

Some studies argue that some reasons for private label establishment by retailers are induced by the manufacturers of private labels. For instance, in the studies of Omar (1999), Jonas and Roosen (2005), Arias and Acebron (2008) indicates that a manufacturer that produces private label products for retailers prevents them from buying the products from rivals of the manufacturer.

Many other studies have reported the motivation of private label retailing on the basis of benefits sought by the PL retailers. In their literature review, Altintas et al (2010) reported a number empirical studies wherein PL retailers are motivated by certain benefits. For instance, retailers tend to develop PL products to gain control over shelf space, to introduce lower prices to consumers by controlling the costs, to have bargaining power with manufacturers (Halstead and Ward, 1995; Batra and Sinha, 2000; Tarzijan, 2004), to reach more consumers by drawing their attention and reinforcing the store image (Tamilia et al, 2000; Vahie and Paswan, 2006), to differentiate themselves concerning price and product diversification compared to competing stores (Schneider, 2004), to improve relationships with manufacturers (Fernie and Pierrel, 1996), to gain channel efficiency (Chen et al, 2002) or lessen the dependence of the store on national brands (Quelch and Harding, 1996), to increase profit margins (Hoch and Banerji, 1993), to raise the retailers' income and profits (Schneider, 2004), and to generate store loyalty (Mullenders, 2008).

In the light of the preceding review, it is evident that several varying factors could motivate or induce potential dealers into spare parts private label brand market. Accordingly, this informed the first hypothesis thus:

H₀₁: There is no significant difference in the responses of motorcycle-spare parts PL retailers on why they develop and launch own PLs.

2.2 PLs Success Drivers

Success drivers refer to those factors that continue to make PLs successful in most markets where they have gained entry. Hence, we can distinguish between the motivators of PLs and success drivers of PLs. While motivators deal with factors that influences retailers to seek establishment of own brands, but success drivers are refers to those factors that characterise successful PLs. The success factors have made these retail brands remain competitive. Put differently, success factors provide answer to the question: why have PLs gains greater market shares and increased sales? Identifying their market-based success drivers will arm existing PLs retailers toward crafting more pungent marketing strategies that will help them in the market to be more competitive. Quite a few studies have been conducted on the success drivers of PLs among retail brands. For instance, a non market-based success driver was reported in Hoch and Banerji (1993) in their UK study that what has made own labels succeed in the FMCG category is greater income which are quickly ploughed back into the business.

Seemingly, a number of studies have also revealed market-based success factors of PLs. For instance the study of Collins-Dodd and Lindley (2003) sustained that key reasons why PLs have been succeeding is that consumers believe that private label products offer good value for money, but lower quality than national brands. Supporting this perspective, Jacoby and Mazursky (1984) posited that the price–quality heuristic also plays a role in the evaluation of private label brands. Collins-Dodd and Lindley (2003) reported that the blind taste test results for private labels also included lower prices as cues, so consumers may have been responding to the price information as well as the brand information. Although for the most part, consumers expect private label products to be cheaper than national brands (Food Marketing Institute, 1994). Collins-Dodd and Lindley (2003) reported that a recent study found that 71 percent of consumers surveyed had tried private label products because of low prices and 70 percent said they did not sacrifice quality. A Nielsen study, however, found that only 17 percent of consumers buy exclusively on the basis of price, and the cheapest brands are seldom the most popular (Rubel, 1995). The belief in a price– quality relationship, coupled with the fact that price does not invariably dominate consumers choices, helps explain why private labels have traditionally gained only limited market shares (Ehrenberg et al., 1997).

Jacoby and Mazursky (1984) explicitly considered the link between brand and store image. They found that manufacturer brand—store combinations were evaluated in a complex manner. Retailers with an unfavourable image could improve that image by carrying brands with a more favourable image, and conversely, a retailer’s image could be damaged by association with unfavourable brands. For brands, a somewhat different pattern was observed. Although a strong brand could not be harmed by association with an unfavourable store, a positive retailer image could not help a brand with an unfavourable image. It is as a result of this that Collins-Dodd and Lindley (2003) maintained that a store - brand link is possible.

In a number of studies, product quality of private brand has been linked to private label success in some context. In their study, Ehrenberg et al (1997) belief in a price– quality relationship, coupled with the fact that price does not invariably dominate consumers choices, thus arguing that quality plays key role in private label success. To Dawar and Parker (1994), perceived quality have huge effect on consumer patronage of private label. Similar studies, for instance Rao and Monroe (1989) and Grewal et al (1998) sustained that among the extrinsic cues, private label quality can significantly lead to private label success. According to Corstjens and Lal (2000), presentation of private label products that have high quality can be an instrument for retailers to generate store differentiation, loyalty, and profitability. For instance Altinas and Kilic sustained that Carrefour, a private label in turkey, actively markets its private label products and positions these products as high-quality alternatives to national brands. Carrefour owners seems to understand that positioning private labels on the basis of lower prices may signal lower quality rather than greater value (Dick et al., 1995 cited in Altinas and Kilic).

Product information (such as labels, package, and logo) has also be linked to PL success and profitability. In this regard, Dick et al (1995) argued that in addition to image and product quality, retailers must pay attention to other cues about product quality associated with private labels, like the attractiveness of packaging, labeling, and brand image, as well as the image of the store itself which may transfer to consumers' perceptions of private label quality (Dick et al., 1995: 15). Meanwhile, the name or the retailer's logo may be put on the products' packages. Thus, consumers' interest can be attracted not only to products, but also to retailers (Sparks, 1997: 157; Dodd/Lindley, 2003: 346; Burt, 2000: 885). Private label products with retailers' names placed prominently on the packages become a means of advertising for the retailers' own stores (Özkan/Akpınar, 2003: 25) and carry the retailers' name to consumers' homes (Omar, 1999: 215). For this reason, retailers may grow as a brand by using their names and logos on the products' packages (Dodd/Lindley, 2003: 346).

It can be deduced that a host of factors can propel the success of private-label brands. This can also be true for motorcycle-spare parts PL segment. On the strength of this line of thought we conceptualize the second hypothesis:

H₀₂: There is no significant difference in the responses of motorcycle-spare parts PL retailers on the key success factors that has encouraged PL sustenance in the market place.

2.3 Challenges of PLs

Previous studies indicate that consumers generally perceive private brands to be of lower quality than national brands (see, for example, Bellizzi *et al.*, 1981; Cunningham *et al.*, 1982). However, the impact of socio-economic characteristics is unclear as the studies have found mixed results (see for example, Coe, 1971; Frank and Boyd, 1963; Fugate, 1979; Murphy, 1978; Myers, 1967). For instance, the study of Bellizzi et al noted distance barrier and logistics problems from private label/retailer-manufacturer relationship as key challenges of PLs. In their study Cunningham et al (1982) reported huge financial involvement as the key challenge in the adoption of private label. The study of Cunningham was corroborated by the study of Omar (1999) which also reported huge financial involvement as key challenge. In a study by Sparks (1997) it was reported that channel distribution challenges as key challenge in launching own label. In a most recent study by Collins-Dodd and Lindley (2003), problem of brand name selection, high promotional spending, and the multiplicity of private brand were documented as the key problems in private brand adoption. Therefore given the divergence in the challenges of PLs from context to context, it can be reasoned that challenges may differ from one PL owner to another. On this basis we conceptualize the third hypothesis, thus:

H₀₃: There is no significant difference in the responses of PLs retailers on the challenges in the sustenance of PLs.

2.4 Literature gap

On the strength of the preceding review, it is evident that previous studies have deeply dwelt on Fast Moving Consumer Goods (FMCG)-private label. No study, to the best of the present author's knowledge, has focused on the motorcycle spare parts private label of Nigerian market, and indeed, Nnewi market context. In addition, most studies (for example Altintas, Kilic, Senol, and Isin, 2010; Song, 2009; Gomez and Benito, 2008) have studied private label from the standpoint of the manufacturers of private label. Some other studies (for example, Sinha and Batra, 1999; Miranda and Joshi, 2003) focused on the consumer

perspective of private labels. Thus, it is somewhat evident that there seem to be dearth of studies of PL retailers' perspective. In addition, following the present researcher's examination of literature, we share in the perspective of Altintas et al (2010, p774) that "private label-based studies can be classified into three categories: (1) consumer-based and related studies; (2) National brand and private label comparisons; (3) manufacturer-related studies." Evidently, no classification is private label retailers based, which, again, suggest the need for study in this area to fill the apparent dearth in literature in this area.

3. Methodology

Research Design

This work is descriptive. It is concerned with the collection of data for the purpose of describing the success drivers and challenges of private labels in Nnewi, Anambra state. It involved sampling by using structured questionnaire to generate data that will be analysed so as to gain insight into the topic under study.

3.1 Population of the Study and Sample Size

The population or unit of analysis of the study consist of PL motorcycle-spare parts dealers or owners in Nnewi. There are no records on the population of PLs in Nnewi. However, the researcher was able to identify twenty-three (23) contact private labels in the town of Nnewi. Since the number is relatively small, the researcher adopted the twenty-three (23) of them as a sample size for the study – census sampling technique. The companies include: (1) Louis Cater Ind. Ltd. (2) K.C. Sanya (KC. Akoson Investment Company Ltd) (3) Ogbuawa Special Motor Cycle Spare Parts (4) Innoson Nig Ltd (5) Ngobros Nig Ltd (6) Kofec Ltd (7) Muteki Ltd (8) Gazza Supper Industries Ltd (9) JKS Nig Ltd (10) Cosbes Ltd (11) Otugo Special Motor Cycle Parts Ltd (12) IBK Nig Ltd (13) Mescos (14) Chinelson Ltd (15) Mitsuba Ltd. (16) Suaco (17) Fine bird (18) Double Power (Ugo Best) Nig Ltd (19) Domez author ltd. (20) Oyazed Tire Ltd. (21) Diamond Rings Ltd (22) Eugo International Ltd (23) Banuel Nig Ltd.

3.2 Area of Study

The study was executed in Nnewi, Anambra State. Nnewi plays a leading role as a centre for the assembly and distribution of motorbikes and spare-parts in Nigeria. It is the second largest economic hub of Anambra state and one of the largest in West Africa. The inhabitants are predominantly traders and manufacturers of auto and auto spare parts.

3.3 Questionnaire Design, testing, and distribution

The questionnaire was designed based on a literature review of previous studies (for example Batra and Sinha, 2000; Tamila et al., 2000; May, 2006; Dick et al., 1997). The first section of the questionnaire contained general information about the sample unit. It included ten background questions. The second section was designed to collect information about the motivation factors towards private labelling, success factors of PLs, and challenges respectively. All items related to developing PL products were derived from literature and initial pilot survey of five private label owners in Nnewi; hence, pools of 23 items were finally generated. The responses to scale items measuring all three dimensions (motivations, success factors, and challenges) for developing private label products were measured using a four-point likert-type scale anchored by strongly agree (4), Agree (3), Disagree (2), and Strongly Disagree (1) respectively. Two trained research assistants were used in the administration of the questionnaire. They assisted the respondents to complete the questionnaire through an interactive process; thus making sure the questionnaire was completed on the spot.

However, before the final questionnaire was administered to the respondents, it was pretested on ten private label owners. Using their responses, the instrument was subjected to reliability test using the Cronbach's Alpha. The Cronbach's Alpha reliability statistics is 0.969 or 97%, which is considered sufficiently high and above the cutoff point of 0.6 suggested by Hair, Bush, and Ortinua (2006, p374). The respondents who were included in the pretest stage were included in the completion of the final version of the survey form because of the smallness in the population size.

Since census sampling technique was adopted, 23 copies of the questionnaire was produced and distributed. 100% return rate was recorded using the drop- and -pick method. Also this rate of return rate was achieved because the researcher and research assistants had to administer the questionnaire directly, thereby getting instant response. In addition, the high return rate was recorded because the researcher, with the assistance of two trained researchers, on several occasion had to establish a close follow-up on the respondents that were unable to complete the questionnaire at the initial visit. Above all, the quality of rapport established between the researcher/research assistants and the respondents also enhanced the response rate.

4. Analysis and findings

4.1 Analysis

The PCA and t-statistic were used to conduct the various analysis of this study. Principal Component Analysis (PCA), with varimax rotation, was used to process responses to the motivations or reasons, challenges, and success drivers of PLs among the fifteen PL dealers; while t-statistic was used to test the hypotheses of the study. The PCA was initially used to process the data because the researcher sought to reduce large amount of data to uncover the underlying principal factors that explains motivations, challenges, and success drivers of PLs in Nnewi.

4.2 Demographic profile

Managers or owners of the PLs were the respondents of this study. Since census sampling was adopted, 23 respondents were interviewed using questionnaire instrument. Thus, 23 copies of the questionnaire were produced and administered. 17.4% of the respondents have been marketing own label for between 1 to 5 years, 82.6% have been operating own label for 6 years and above, and none the respondents have been operating own label for less than one year. With respect to gender, 95.7% of the respondents are male, while 4.3% are female. the age distribution of respondents show that 8.7% of the respondents are within 18-29yrs age bracket; 26.1% are within 30-39yrs age bracket; 65.2% are either 40yrs or above. The marital status of respondents indicates that 91.3% of the respondents are married while 8.7% are single. With respect to educational qualification of respondents show that 60.9% hold secondary school certificate, while 39.1% hold either a degree or professional qualification.

4.3 Factor Analysis

The motivation items, success items, and challenges items were separately subjected to PCA using SPSS version 16. Prior to performing PCA, the suitability of the data for factor analysis was assessed using Kaiser-Meyer-Oklín measure of sampling adequacy and the rotation method is the varimax with Kaiser Normalization. For motivation items, the KMO value was 0.863; for success factor items the KMO is 0.762; and for challenges item the KMO is 0.832; thus, all exceeding the recommended value of 0.6 minimum value suggested for a good factor analysis (Pallant, 2010 citing Kaiser 1970, 1974) and Barlett's Test of Sphericity (Pallant, 2010 citing Barlett, 1954) reached statistical significance, supporting the factorability of the correlation matrix.

Evidence from Appendix C, shows that each construct of interest (ie motivation, success factors, and challenges) were subjected to PCA separately and each yielded one component as shown and labelled below:

Table 1:
Factor analysis results with varimax rotation of motivations for PL

Factor 1(F1): Control	
Motiv8 - Lower price to consumers by controlling cost	0.960
Motiv2 - Reduction of dependence of store on national brands	0.949
Motiv1 - To control channels	0.934
Motiv7 - Fame for the company and owner	0.928
Motiv3 - Increase in bargaining power of retailers	0.923
Motiv6 - Improve relationship with manufacturers	0.900
Motiv5 - Increase profit margins	0.777
Cum % variance	74.120

Source: Field Survey, 2012

Note that items eigen values of less than 0.4 were excluded.

Table 1 above shows the eigen values with respect to items regarding the motivations or drivers for owning PLs. Although one principal component emerged, the output shows that the appropriate label for the item is *control*. The import of this is that the key driver for ownership of PLs is *control*.

Table 2:
Factor analysis results with varimax rotation of PL success factors

Factor 2(F2): Monopoly or Self-gratification	
Succ3 - Excess capacity from international brand	0.962
Succ6 - Monopoly of own brand	0.936
Succ1 - Excise of patience by owner	0.929
Succ5 - Increase in demand of own brand	0.926
Succ4 - Minimization of quantity imported	0.909
Succ2 - Foreign financial aid via credit from manufacturer	0.864
Succ7 - Understanding of the market trend	0.740
Cum % variance	80.579

Source: Field Survey, 2012.

Note that items eigen values of less than 0.4 were excluded.

As shown in Table 2 above, all items on the success factor of PLs have high eigen values and are labelled *monopoly* or *self-gratification*. Thus, the key success factor of PLs is the feeling of monopoly of owning a PLs or self-gratification that goes with owning one's own business. This has kept PLs going regardless of the teething business conditions and competition.

Table 3:
Factor analysis results with varimax rotation of PL challenges

Factor 3(F2): Piracy	
Chall1 - Excess supply than demand	0.966
Chall2 - Fixing price for own brand	0.964
Chall3 - No parameter for testing standard/quality	0.949
Chall6 - No quality regulation	0.935
Chall7 - High piracy in the industry	0.890
Chall4 - Corruption of the Chinese companies	0.857
Chall5 - Banning of motorcycle/Okada in some states	0.707
Chall8 - Get-rich-quick syndrome among PL owners	0.612
Cum % variance	75.471

Source: Field Survey, 2012

With respect to the challenges of PLs, table 3 above show that the appropriate label for the items is piracy. This means that *piracy* is the key challenge bedevilling PL owners.

Hypotheses Testing

To lend further support to the factor analysis, we test the hypotheses using t-statistics. In the case of the first hypothesis, the t-statistics of 111.212 was found to be significant at 0.000 level. Therefore, we reject the null hypothesis and conclude that there is significance difference in the response of private label retailers on the reasons for developing own private label. For the second hypothesis, the key success factors that has encouraged PL sustenance in the market place were found to be significant at 0.000 levels; therefore we reject the null hypothesis and accept the alternative that there is significant difference in response of motorcycle-spare parts PL retailers on the key success factors that has encouraged PL sustenance in the market place. In the case of the third hypothesis, the result revealed that the t-statistics for the response of PLs retailers on the challenges in the sustenance of own PLs were found to be significant at 0.000 levels. Therefore we reject the null hypothesis and accept the alternative hypothesis that there is significant deference in response of PLs retailers on the challenges in the sustenance of PLs.

5. Discussion

Granted that the three hypotheses show differences in the respondents position regarding reasons for the development private label, success factors that has encouraged PL sustenance in the market place, and the challenges in the sustenance of PLs; however, the factor analysis revealed that a common factor exist for the three construct among PL owners. In the case of motivation, the key motivation for development of PL is *control*; while the key success factor that have been sustaining PL is *monopoly* or *self-gratification*; and the key challenge threatening the survival of PLs is piracy. The tripod has led to conceptualization of the Private Label Survival Triangle as the major contribution of this treatise to knowledge. The Private Label Survival Triangle is show below:

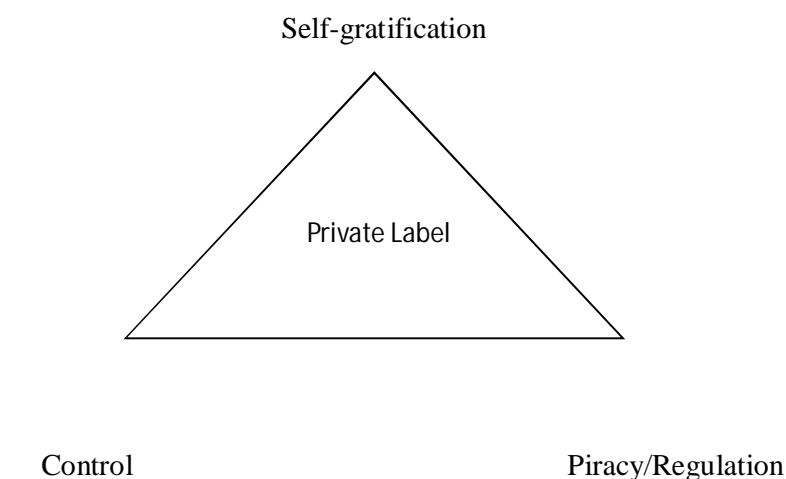


Figure 1: The Private Label Survival Triangle

Source: Authors' Conceptualization

Each tip of the triangle represents a survival factor for PLs motorcycle spare parts in Nigeria. The major reason for the development of PLs is to gain control. This include control of channel members, control of profit margin, control relationship for with manufacturers, control cost etc. This finding corroborates findings of some previous studies. For example, the works of Terpstra and Sarathy

(1994) cited in Altintas et al (2010) in their study reported that retailers increasingly attempt to develop their private label products due to control and high margins that private labels provide to them. To some retailers, private labels are a tool for controlling the channel and reducing the dependence of the store on national brands (Tamilia et al, 2000).

Another tip in the triangle is self-gratification or “monopoly”, being the core success factor that sustains the PLs. This refers to the deep feeling of satisfaction for owning a brand. This feeling is further sustained by patience on the part of the owner. This factor continue to sustain owners of PL even in the face of resent ban of “Okada” that have dwindle sales. This finding is a slight departure from some previous studies. For instance Gomez and Rubio (2008) noted that the growth of private labels is due to factors such as retail concentration, retailers’ marketing strategies, economies of scale, size of national brand market and consumer acceptance.

Another tip in the triangle is piracy, which is the major threat or challenge to PLs. Piracy is replete in the industry that comes in several forms such as similar brand name, similar packaging etc; thus destroying the image of successful labels. This finding is somewhat a departure from findings in previous studies in the western context. Accordingly, in their study Cunningham et al (1982) reported huge financial involvement as the key challenge in the adoption of private label. The study of Cunningham was corroborated by the study of Omar (1999) which also reported huge financial involvement as key challenge. To mitigate piracy, intervention through regulation or industry organized regulation becomes imperative for PL survival.

6. Conclusion and Recommendation

On the strength of the foregoing discussion, it can be concluded that three factors can eloquently explain the survival of PLs in the motor cycle spare parts market in Nigeria. These factors include – self-gratification, control, and piracy/regulation. Accordingly, the PL Survival Triangle Model provides a theoretical insight into the key tripod issues that drives the motorcycle spare-parts PL brand segment in Nigeria; thus mitigating the apparent dearth in models within the motorcycle spare-parts PL brand literature.

Based on the discussion and findings from the analysis of this study, following recommendations are made: first, development of Own Private Label should be encouraged among motorcycle spare parts dealers in Nnewi markets and in the southeast region markets of Nigeria. For instance, the banning of Okada (that is, motorcycle transport system) should be restricted only to the capital of the states where Okada is presently banned. Second, the government should encourage the manufacturing firms to have their factory built here in the country so as to bridge the distance barrier. Third, government through the Bank of Industry (BOI) should avail the PL retailers the opportunity of access to credit facility for developing and sustaining own private label. Four, government should strengthen policies for quality regulation and also the protection PLs.

7. Further Research

Some of the limitations of this study could form the basis for further research. For instance, the proposed PL Survival Triangle model is conceptualized on the basis of primary data collected from the motorcycle spare-parts PL segment; therefore providing the need to validate the model in other PL segments such as the FMCG private label segment in Nigeria and other developing country or emerging market context.

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