BIBLIOGRAPHY

JOY S. BOTAY. APRIL 2011. Benchmark Study of Knitting Industry in Baguio City. Benguet State University, La Trinidad, Benguet.

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ABSTRACT

The study was conducted at the different areas of knitting industry in Baguio City, specifically in Mines View, Botanical Garden and Pacdal, from December 2010 to January 2011. The objectives of this study are to describe the status of knitting industry, determine the practices of the entrepreneurs in buying and selling knitted products, determine how the firms position their products in the market and who their customers or buyers, determine the volume of sales of knitting industry, and to identify the problems encountered by the entrepreneurs of the knitting industry.

The respondents of the study were composed by 35 retailers, 18 knitters, and 4 suppliers of raw materials with a total of 57 entrepreneurs. The data gathered were categorized tabulated analyzed using frequency and percentages.

Majority of the respondents are sole proprietorships and dominated by females. Most of the firms operated for six to ten years and above.

It is concluded that particular places were chosen as they are essentially tourist destination where most of the firms' customers are local tourists and foreign tourists.

It is recommended that each enterprise should study the people as to their needs, wants and also their behavior, and then identify whom they must offer each kind of their products.

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INTRODUCTION

Rationale

Knitting industry is one of the promising businesses in the Philippines that can generate income and provide job for housewives.

It is a process of forming a fabric by means of interesting loops of yarn. In knitted fabrics, vertical columns of loops are called Wales and the horizontal rows of loops are called courses.

Historically, no one knows when women first began to knit; we do know that as far back as 200 A.D. knitting was an advanced and accomplished art. Examples of knitted products were found in the site of Antinoe in Egypt. In Britain the first knitting machine was designed by Reverend William Lee of Calverton in 1589. From its beginning knitting industry has been expanded to become one of the leading branches of the textile industry. This evolution resulted mainly from the desire of mankind. Knitted garments are recognized essentials in every wardrobe. They combine fit with physical freedom, warmth with ventilation and durability with textual beauty. Now a day this activity becomes a source of income to many housewives.

Knitted products have different designs which are available in the market. These can be in the form of sweaters, scarves, gloves, socks, mittens, bags or hats. In addition, runners, tablecloths and bedspreads can also do by knitting.

Knitted products are among the popular products produced and sold in the city of Baguio especially in places where tourist go like Mines View, Botanical Garden and Pacdal. This study will be conducted to establish baseline data on the industry in Baguio.

Statement of the Problem

1. What is the present status of the knitting industry in Baguio City?

2. What are the practices of the entrepreneurs in buying and selling knitted products?

3. How the firms position their products in the market and who are their customers or buyers?

4. How much is the volume of sales of knitting industry in Baguio City?

5. What are the problems encountered by the entrepreneurs of the knitting industry?

Objectives of the Study

1. Describe the status of knitting industry in Baguio City as to:

   a. Profile of the entrepreneurs

   b. Profile of the business

2. Determine the practices of the entrepreneurs in buying and selling knitted products.

3. Determine how the firms position their products in the market and who their customers or buyers.

4. Determine the volume of sales of knitting industry in Baguio City.

5. Identify the problems encountered by the entrepreneurs of the knitting industry.

Importance of the Study

By updating the bench mark of the industry, results will not only serve as a guide for researchers to look into the growth and development of industry but the knowledge in knitting will be imparted to the students and will be venue for an enterprise which they can venture into the future.

Scope and Delimitation of the Study

The study focused on knitting industry in Baguio City, specifically those markets in Mines View, Botanical Garden and Pacdal.

REVIEW OF LITERATURE

Concept of Knitting Industry

The Grolier Encyclopedia of knowledge (International Edition) stated that knitting is the making of fabric by using special needles to interlace yarn in a series of loops or stitches. Hand knitting using two single – pointed needles for flat work, and a flexible circular needle with points at each end on several double - pointed needles for circular work, remains a popular hobby. Most knit fabrics today, however, are produced by machines.

From the beginning of the machine age, people have expressed concern for the loss of individuality that mass-produced objects imply. The inherent uniqueness of anything handmade is a reassuring reflection of the individuality of each human being; it is a gesture of defiance against anonymity and monotony. Against a background of mass-produced objects, things handcrafted have taken on the luster of art. What had once been simply a fisherman's sweater or a peasant's warm mittens have come to be seen as desirable luxuries far from the small world in which they originated. As a result, the craft of knitting has been taken up by people who have no need to make their own clothing (Hiatt, 1988).

William Lee, an English clergyman, invented the first knitting machine in 1589. His "Stocking Frame" based on an early form of hand knitting that used hooked needles mounted side by side on a frame, allowed an operator to form an entire raw of loops with a single stroke of a foot pedal. It remained essentially unaltered until the mid 18th century, when mechanics were added for marking ribbed knitting and even types of lace. The stocking frame produced a weft fabric, were the stitches were built up horizontally. The first warp knitting machine invented in 1775, knit yarn together vertically and could produce fabric for more quickly than the older machines (Solimen, 2010).

Modern Knitting machines belong to either the welf on warp category and maybe controlled by computer. Weft machines are often circular, the needles are mounted on a rotating cylinder, and a tabular fabric is produced as the cylinder turns. Warp machines are usually flatbed with the needles mounted in a straight time. These machines knit a flat fabric that is less elastic than fabrics on weft machines and are used for knitting full-fashioned garments.

Knitting: Its Process and Products

According to the Australian Fashion News (2001), as cited by Faronda and San Pedro (2000), knitted fabrics vary greatly from the production of woven fabrics and the so-called non-woven fabrics. Woven fabrics are produced by interlacing yarns in the same plane but at right angles to one another. The non-woven fabric is a more recent development, which involves the formation of a web or layers of fibers by bonding.

The same authors mentioned that, knitting was popularized and practiced to a great extent throughout England and Scotland. Knitting soon becomes customary to knit the leg covering separately by hand. Hosiery is an important product, and its cost is often a large item in the clothing budget of the customer. The construction of hosiery should be of interest because it has a being on the serviceability of the article. In most cases, the better constructed hosiery is well worth its extra cost, provided it is gen proper care in wearing as well as in laundering.

Knitting became a commercial industry only in 1970’s when knitting-machines were easily acquired. At the same period, women mostly from Sagada, Besao and Bauko in Mt. Provinces have ventured into trading of knitted wear only in the Cordillera but also in the lowlands. This activity proven to be very profitable that the same women established home-based knitting factories in Baguio City and in La Trinidad, and in the mining communities of Benguet. Not long after, almost anybody engaged in knitting sweater used the trade mark “Made in Baguio City” which became popular nationwide.

According to Diaz (1992), as cited by Faronda and San Pedro (2001), Knitted fabrics are constructed from interconnecting loops of lengths of yarn, which can be knitted along the warp or weft giving the fabric its stretchy quality. Horizontal rows of knit are known as “courses” and vertical rows are known as “wales”. Weft knitting is created from one yarn that loops and links along the course; if a stretch is dropped the knit is likely to ladder and run down the length of the wale. Hand knitting is prime example. Warp knitting is more like weaving, with the construction being more complicated and fabric less easy to unravel. Fabric tends to be comfortable to wear as it is stretchy, but this can also mean that it can stretch out of shape and shrink with heat, especially if it is made from wool. Knitted fabrics tend to be more prone to pilling than woven fabrics. Different thicknesses of knitting can be produced according to the stitch used, the size of the needles and the thickness or the count of the yarn.

Knitted Products as Fashion and Art

The twentieth century has witnessed far more than the mere transformation of art works into catwalk creations. It has produced a whole array of ideas and movements that illustrate the way in which the worlds are of art and fashion inspire one another. The relationship between the two worlds has given rise to a number of new perspectives, including a reassessment of the meaning of life through dress, the revising of the fashion system, the creation of new spiritual dimension with in the fashion industry, and the used of clothes as an aid to artistic expression. This new perspective turns on their heads the rules that previously governed art and fashion. Clothing has always been a strong indicator of social identity, and if taken out of its everyday context, is anything but harmless and innocent. Depending on the era and the artist or couturier who interprets it, dress can become the expression of an ideology, a social critique, or a combination of both (Muller, 2000).

In the late 19thand 20th century fashions changed and women and men began wearing jumpers and cardigans and other knitted garments for day, evening and more importantly for sports. With the increase in leisure time in the 20th century, knitted fabric has become increasingly important for sportswear as it is stretchy, comfortable and absorbent (Udale, 2008).

Knitting as Needle Work and Physical Dysfunction

Because needlework is most often identified with women, its use is slightly limited. While a few men will attempt it; only those with a strong sense of self are willing to risk doing a traditionally female craft. Needlework is the kind of craft that can be done. Small projects require little expenditure of energy. Most of the joint and muscle movements in needlecraft are in the fingers and hands. However, needlework involves some shoulder internal and external rotation, elbow flexion and extension, forearm pronation and supination, wrist flexion and extension, and radial and ulnar deviation. Many severely disabled arthritics still enjoy needlework as it does not require strength and consequently does not hurt their joints. The patient experiences less pain when concentrating on a craft such as needlework.

In addition, knitting offers a creative outlet that accommodates itself nicely to busy lives. The tools and materials represent a modest investment, and the basic techniques are easily learned. The work is eminently portable, accompanying the knitter on vacations or to committee meetings, or helping to fill the empty hours on an airplane. Best of all, the result of the knitter's efforts is something attractive, practical, and unique. A hand-knit garment is also a special way of giving to the ones you love (Drake, 1992).

METHODOLOGY

Location and Time of Study

The study was conducted in Baguio City where knitting industries are found. The study was conducted on December 2010.

Respondents of the Study

The respondents of the study were the owners or the managers of the knitting industries in Baguio City, the sellers in the different tourist area and the suppliers of raw materials.

Data Collection

Data gathered used survey questionnaire to gather needed data. The data was supplemented with observations.

Data Gathered

The data gathered were the profile of the business owners, production and marketing practices, market promotion activities, product customers and volume of sales.

Data Analysis

The data gathered were categorized tabulated analyzed and used frequency and percentages.

RESULTS AND DISCUSSIONS

Profile of the Entrepreneurs

Table 1 shows the personal information about the respondents specifically their ages, sex, civil status and educational attainment.

Age. As shown in Table 1, 62.9% of the retailers belonged to 20 to 30 years of age and only 2.8% of them belonged to 51 to 60 years old. The same table shows that most of the knitters are at the ages of 20 to 30 which means that most of them belongs to young adult and the rest belongs to middle age and adult age. All of the suppliers of raw materials are in the middle age, which 50% of them belonged to 30 to 40 and other 50% belonged to 41to 50 years old.

Sex.Table 1 also shows that majority (85.7%) of the retailers are female as compared to male (14.3%). Almost all the knitters are female and all of the suppliers of yarns (thread) are female. This finding implies that the key actors; the retailers, knitters and suppliers of raw materials, are dominantly female.

Civil status. Majority of the retailers are married (60%) likewise the knitters (83.3%) and all the suppliers of raw materials.

Educational attainment. Also Table 1 shows that few (20%) of the retailers respondents are under elementary graduate and most (48.6%) of them are high school graduate and undergraduate. There are also eight (44.5%) knitters who are high school graduate and undergraduate, six (33.3%) college graduate and undergraduate and for (22.2%) elementary graduate and undergraduate. With regards to the suppliers of raw materials, majority (75%) of them are high school graduate and only one (25%) is college graduate.

Table 1. Profile of the entrepreneurs

PARTICULAR	RETAILERS		KNITTERS		SUPPLIERS	
	F	%	F	%	F	%
Age						
20 – 30	22	62.9	7	38.9		
31 – 40	9	25.7	5	27.7	2	50
41 – 50	3	8.6	3	16.7	2	50
51 – 60	1	2.8	3	16.7		
TOTAL	35	100	18	100	4	100
Sex						
Female	30	85.7	17	94.4	4	100
Male	5	14.3	1	5.6		
TOTAL	35	100	18	100	4	100
Civil status						
Single	14	40	3	16.7		
Married	21	60	15	83.3	4	100
TOTAL	35	100	18	100	4	100
Educational attainment						
College	11	31.4	6	33.3	1	25
High school	17	48.6	8	44.5	3	75
Elementary	7	20	4	22.2		
TOTAL	35	100	18	100	4	100

Profile of the Business

Table 2 shows the form of ownership of businesses in the knitting industry including information on capitalization and number of years in operation.

Form of business ownership. As shown in Table 2, majority (71.4%) of the retailers is sole proprietorship, 25.7% belong to partnership, and one (2.9%) belongs to an association. These findings are also true to knitters, majority (61.1%) of the respondents are sole proprietorship. All the suppliers of raw materials belong to sole proprietorship in which most business in the Philippines are sole proprietorship because it's the simplest form of business and the easiest to register. It is not encumbered by the strict regulatory laws and rules imposed upon corporation and partnership.

Business capital. Majority (51.4%) of the retailers had capitalization ranging from Php 20,000 to Php 50, 000 and 34.3% had a capitalization of Php 51,000 to Php 80, 000. As for the knitters, 50% of the respondents had a capitalization of Php 51,000 to Php 80,000 and the other half had Php 20,000 to Php 50,000 (38.9%) and Php 81,000 to Php 110,000 (11.1%). The highest capital of suppliers of raw materials is Php 250,000 and the lowest is Php 180,000. This finding implies that suppliers of raw materials need bigger capital than retailers and knitters.

Number of years in operation. Table 2 shows that 37.1% of the retailers operated for five years or less. This means that there are still individual who are interested to enter in the industry. Eighteen (51.45%) of the retailers have been in operation for six to ten years and 11.4% reached almost eleven to fifteen years. The table shows also that six (3.3%) of the knitters have been operating for five years or less. Ten (55.6%) have been in the business for 6 – 10 years and only 11.1% of the knitters for 11 – 15 years. Fifty

Table 2. Profile of the business

DESCRIPTION	RETAILERS		KNITTERS		SUPPLIERS	
	F	%	F	%	F	%
Business ownership						
Association	1	2.9	1	5.6		
Partnership	9	25.7	6	33.3		
Sole proprietorship	25	71.4	11	61.1	4	100
TOTAL	35	100	18	100	4	100
Business capital						
20,000 – 50,000	18	51.4	7	38.9		
51,000 – 80,000	12	34.3	9	50		
81,000 – 110,000	5	14.3	2	11.1		
180,000					1	25
200,000					2	50
250,000					1	25
TOTAL	35	100	18	100	4	100
Years in operation						
≤ 5	13	37.1	6	33.3	2	50
6 – 10	18	51.4	10	55.6	2	50
11 – 15	4	11.4	2	11.1		
TOTAL	35	100	18	100	4	100

percent of the suppliers of raw materials are relatively new in the industry. They had been in the business for five years or less while the other 50% for six to ten years years.

Practices of Retailers in Buying and
Selling Knitted Products

There are two types of retailers in this study. The first type is the retailers that knit their own products, while the second types are those that buy the products from knitters. Table 3 shows that majority of the respondents belonged to the second type. This finding implies that majority of the retailers of knitted products at Mines View, Botanical Garden and Pacdal, Baguio City are not knitting their own products but buy them from knitters. This practice provide employment in the economy, furthermore, this promotes efficiency in the industry since each actor/firm would specialize in providing the good or service that he/she could do best.

Table 3 presents the practices of retailers in buying and selling knitted products. There were some retailers (31.4%) that knit their own products. Majority (68.6%) do not knit but buy knitted products from knitters.

Buying practices. As shown in Table 3, twelve (34.3%) of the retailers purchased knitted products in piece. However 28 (80%) retailers purchased in dozen, this is to minimize cost most especially to the products that are small in size like purses and cell phone holder.

Agreements. In purchasing products from knitters, there are agreements made between the retailers and knitters. Three (8.6%) of the retailers said that knitted products must be paid in full amount upon delivery. Twelve (34.3%) of them also said that products could be paid in partial amount. There are five (14.3%) respondents who said that down payment is needed before products are delivered and 14(40%) of them also purchased products in terms of credit.

Table 3. Practices of entrepreneurs in buying and selling knitted products

PARTICULARS	FREQUENCY	PERCENTAGE
Type of Retailers		
Knit own products	11	31.4
Do not knit own products	24	68.6
TOTAL	35	100
Buying Practices		
Per piece	12	34.3
Per dozen	28	80.0
Agreements in Buying Knitted Products		
Paid in full amount upon delivery	3	8.6
Paid in partial amount	12	34.3
Down payment before delivery	5	14.3
Credit	14	40.0
Selling Practices		
Per piece	33	94.3
Per dozen	5	14.3

*Multiple Responses

Selling practices. Most (94.3%) of the retailer respondents sold their products in piece for the reason that most of their customers are tourists both local and foreign. Others sold in dozen.

As to product positioning, some retailers prioritized selling knitted products during its peak season, from June to February, because of the low temperature or coldness of weather. During summer, only selected designs were prioritized by retailers most specially the clothing's like spaghetti strap and sleeveless.

Perception of Respondents if Knitting
their Own Product is Advantageous

There are some retailers (42.9%) who said that it is more advantageous for them to knit their own products because they can create their own design (Table 4). If they order the products from the knitters, the design that they want are sometimes not copied by the knitters. Another advantage that they pointed out is they could save from the cost of the knitted products thus their profit would be higher. On the other hand, 54.3% of the retailers said that it is better for them to buy from knitters because they have no time to knit. Besides, this will help the knitters financially. More people would be involved in the knitting industry.

One of the respondents said that it is better for her to buy the thread and let knitters knit for her.

Types of Buyers

The respondents mentioned three types of buyers of knitted products; local tourists, foreign tourists, and non-tourist who just walk in their stalls. The finding shows that all of them sell to both local tourists and foreign tourists. Seventeen (48.6%) mentioned that they also sell to non-tourists or walk-in customers (Table 5). It is interesting to note that even foreigners want to buy our knitted products.

Table 4. Perception of retailers on which is more advantageous

PERCEPTIONS	FREQUENCY	PERCENTAGE
Knit their own and directly sell	15	42.9
Buy from outside knitters	19	54.3
Buy raw materials and let others knit for the firm	1	2.8
TOTAL	35	100

Table 5. Customers or buyers of knitted products

PARTICULAR	FREQUENCY	PERCENTAGE
Customers or Buyers		
Local tourist	35	100
Foreign tourist	34	97.1
Walk in	17	48.6

*Multiple Responses

Volume of Sales per Year

Tables 6 and 7 present a picture of the volume of knitted products sold by the retailers at Mines View, Botanical Garden and Pacdal. Table 6 shows the distribution of the respondents, by sales bracket per year. In 2001, there were 8 retailers with three having sales between Php 20,000 to Php 40,000, four within Php 41,000 to Php 60,000 and one within Php 61,000 to Php 80,000. During the succeeding years until 2006, there were new entrants in the industry. There was a rapid increase in the number of retailers in 2006. There was no change in 2007 but in 2008, 2009, and 2010 there were new entrants. It was observed that there were changes in the distribution of respondents in the different sales bracket. There was an increase in the number of respondents in the highest sales bracket. This implies that some of the respondents moved from the lower sales bracket to the higher sales bracket. There were years when the movement was from higher bracket to the lower bracket. For instance in 2005, the three respondents from the highest sales bracket moved down to the lower sales bracket.

Table 6. Distribution of respondents by volume sold

SALES (pesos)	YEAR AND NUMBER OF RETAILERS									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
20,000-40,000	3	5	7	11	9	13	13	7	24	19
41,000-60,000	4	4	4	3	13	12	9	17	6	9
61,000-80,000	1	0	1	3	0	4	7	7	2	6
TOTAL	8	9	12	17	22	29	29	31	32	34

Table 7 presents the volume of sales per year. The result shows that total sales of the industry had been increasing through the years but on the other hand the average sales per firm had decreased from 2001 to 2010. This implies that the increase in total sales was contributed by the new entrants and not from an increase sale per firm.

Problems Encountered by the Retailers

Table 8 presents the problems met by the retailers. The result shows that of them majority (71.4%) had problems regarding the presence of many competitors. About 63%

Table 7. Volume of sales per year

YEAR	NUMBER OF RESPONDENTS	TOTAL SALES	AVERAGE SALES
2001	8	360,000	45,000
2002	9	350.000	38,889
2003	12	480,000	40,000
2004	17	690,000	40,588
2005	22	920,000	41,818
2006	29	1,270,000	43,793
2007	29	1,330,000	45,862
2008	31	1,550,000	50,000
2009	32	1,160,000	36,250
2010	34	1,440,000	42,353

mentioned they had problem on the high cost of raw materials (62.9%) while 57% met problem on the seasonal demand for their products. About 26% mentioned the location of their business as a problem because their stalls are found at the back of other stalls selling similar items thus customers drop by these other stalls before they go to them. Some said their problem is the design of their products which they could not come up with new designs. Eleven percent said they had problem on lack of skilled laborers two and one of them had problem regarding unavailability of resources and decrease in demand for their product, respectively.

Table 8. Problems encountered by the retailers

PROBLEMS	FREQUENCY	PERCENTAGE
Many competitors	25	71.4
High cost of materials	22	62.9
Seasonal demand for products	20	57.1
Location of business	9	25.7
Knitted products' designs	8	22.9
Lack of skilled laborers	4	11.4
Resources unavailability	2	5.7
Decrease market demand	1	2.9

*Multiple Responses

Sources of Raw Materials and Kinds of Products Produced by Knitters

All of the knitters used threads that are locally made. They prefer to use locally made threads because according to some knitters it is more durable than imported threads. They all buy their raw materials from the four suppliers in Baguio City.

As shown in Table 9, majority of the respondents produced bags (77.8%) and clothing (77.8%) like sweatshirt, jacket and sleeveless which retailers preferred most. This is because knitted clothings are salable all year round. The small items produced by majority of the knitters were cell phone holders (66.7%), pouch (72.2%), and purse (50%). Other knitters also produced the following products: wallet, bonnets, and mittens.

Table 9. Products produced by knitters

DESCRIPTION	FREQUENCY	PERCENTAGE
Products Produced		
Bags	14	77.8
Purses	9	50
Wallet	6	33.3
Cell phone holder	12	66.7
Pouch	13	72.2
Clothing	14	77.8
Bonnet	2	11.1
Mittens	3	16.7

*Multiple responses

Mode of Purchase of Raw Materials

All the knitters purchased raw materials or threads not in bulk for some reasons that they don't have enough cash to purchase in bulk and also knitters select the desired colors for their design.

Marketing Practices

As shown in Table 10, 72.2% of the knitter respondents delivered their products to the retailers. About 39% of them are letting the retailers pick-up the products from the storage area. This shows that knitters adopt different marketing practices.

Volume of Production

Table 11 shows how many pieces of knitted products a knitter can produce within one month considering the sizes. Purses, cell phone holder and mittens are considered as small size. Wallet, pouch and bonnets belong to medium size. Bags and clothing are considered as big size, this classification is adopted only in this study.

Small size. As shown in Table 11, 66.7% of the knitters could knit 20 to 30 pieces per month and 22.2% of them could knit 30 to 40 pieces. Two or 11.1% of the knitters could produce only 10 to 20 pieces a month. These are the knitters who are just starting to knit.

Medium size. Also Table 11 shows that nine (50%) of the respondents could produced around 20 to 30 pieces a month. Eight (44.4%) said that they could knit 10 to 20 pieces within a month and one (5.6%) also said that she could knit as many as 30 to 40 pieces per month.

Table 10. Mode of delivering products to the buyers

MARKETING PRACTICES	FREQUENCY	PERCENTAGE
Delivered	13	72.2
Picked-up	7	38.9

*Multiple Responses

Table 11. Volume of production of knitters per month by sizes

DESCRIPTION	FREQUENCY	PERCENTAGE
Small Size		
10 – 20	2	11.1
20 – 30	12	66.7
30 - 40	4	22.2
TOTAL	18	100
Medium size		
10 – 20	8	44.4
20 – 30	9	50
30 – 40	1	5.6
TOTAL	18	100
Big size		
10 – 20	12	66.7
20 – 30	5	27.7
30 - 40	1	5.6
TOTAL	18	100

Big size. Most (66.7%) of the knitters could knit 10 to 20 per month ,five (27.8%)could knit 20 to 30 pieces a month and one (5.5%) of them could knit 30 to 40 pieces within a month.

Market Outlet of Knitters

Table 12 shows that there are four (22.2%) respondents supplied retailers in Metro Manila. However, all of them distributed their products to the retailers within Baguio City.

Volume of Sales per Year

Table 13 shows the distribution of respondents and shows also how many new entrants are there in one year. In 2001, there were three knitters who started their business and two of them having a sales ranging from Php 20,000 to Php 40,000, the other ones sale is ranging from Php 41,000 to Php 60,000. In the following year, one of the knitter's sales moved to higher bracket, from Php 20,000 to Php 40,000 it moved to Php 41,000 to Php 60,000. From the year 2003 to 2009, new entrants were observed. The table shows that there were changes also in the distribution of respondents in the different sales bracket. In the year 2005 to 2009, most of the knitters sales fall under Php 20,000 to Php 40,000 which most new entrants were observed also. This findings show that new entrants of knitters could be a possible reason for the sales of old knitters to increase or decrease. In 2010, majority of the knitter's sales fall under Php 41,000 to Php 60,000 and two of them reached Php 81,000 to Php 100,000.

Table 12. Market outlet of knitters

RECEIVERS	FREQUENCY	PERCENTAGE
Retailers within Baguio	18	100
Retailers within Metro Manila	4	22.2

*Multiple Responses

Table 13. Distribution of respondents by volume sold

SALES (pesos)	YEAR AND NUMBER OF KNITTERS									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
20,000-40,000	2	1	2	1	5	5	7	7	13	2
41,000-60,000	1	2	3	3	4	6	5	7	3	11
61,000-80,000				3	1	2	3	3	2	3
81,000-100,000										2
TOTAL	3	3	5	7	10	13	15	17	18	18

Table 14 presents the volume of sales per year. The same table shows that there was continues increased in the total sales from the year 2001 to 2010 except for 2009. It was observed that average sales are not proportional to the total sales. This implies that average sales were affected by the number of new entrants and volume of their sales. An example for this is in the year 2009, most of the knitter's sales fall under Php 30,000.

Table 14. Volume of sales per year

YEAR	NUMBER OF RESPONDENTS	TOTAL SALES	AVERAGE SALES
2001	3	110,000	36,667
2002	3	130,000	43,333
2003	5	210.000	42,000
2004	7	390,000	55,714
2005	10	420,000	42,000
2006	13	590,000	45,385
2007	15	670,000	44,667
2008	17	770,000	45,294
2009	18	680,000	37,778
2010	18	1,000,000	55,556

Sources of Materials of Supplier

All the four suppliers of raw materials buy their supplies from wholesalers in Metro Manila. They buy thread in bulk and sell them in retail form to the knitters.

Marketing Practices of Suppliers

From Table 15, one (25%) of the supplier respondents delivered their thread to the knitters if they buy in bulk otherwise the knitters are the ones who go to their store and pick up the thread. As found earlier, the knitters buy their thread in small quantity and so they pick up the thread when they buy. One of the suppliers delivered threads to knitters in Loakan who are not part of the study but this are knitters who knit products for export.

Table 15. Marketing practices of suppliers of raw materials

PRACTICES	FREQUENCY	PERCENTAGE
Delivered	1	25
Picked -up	4	100

*Multiple Responses

Mode of Payment

As to mode of payment, Table 16 shows that two of the suppliers allow the knitters to buy on credit. However, the suppliers give them on credit if they have a established relationship with the knitters and that they could trust them.

Volume of Sales per Year

Tables 17 and 18 present the distribution of respondents and the volume of sales per year, respectively. It is presented in Table17 that only one supplier started operating from the year 2004 having a sales between Php 61,000 to Php 80,000. During the succeeding years until 2008, there were new entrants in the industry. The same table shows that there were changes in the distribution of respondents in the different sales bracket. From the year 2007 to 2009, there was an increase in the number of respondents in the lowest sales bracket. Only in the year 2010 where all the suppliers sales ranged from Php 41,000 to Php 60,000. This implies that all the respondents from the lower sales bracket moved to the higher sales bracket.

Table 16. Mode of payment of knitters to the suppliers

MODE OF PAYMENT	FREQUENCY	PERCENTAGE
Credit	2	50
Cash	4	100

*Multiple Responses

Table 17. Distribution of respondents by volume sold

SALES (pesos)	YEAR AND NUMBER OF SUPPLIERS						
	2004	2005	2006	2007	2008	2009	2010
20,000-40,000			1	3	2	3	0
40,000-60,000		1	1		2	1	4
60,000-80,000	1	1					
TOTAL	1	2	2	3	4	4	4

As shown in Table 18, continues decrease or increase in the total sales and average sales are not observed from the first year to the last year. This implies that volume of sales has the greater effect in the average sales. The number of respondents could also affect the average sales but not that much.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

The study was conducted to describe the status of knitting industry in Mines View, Botanical Garden and Pacdal. It is specifically to describe the profile of entrepreneurs of the and the business, determine the practices of the entrepreneurs in buying and selling knitted products, determine how the firms position their products in the market, who their costumers or buyers, determine the volume of sales, and identify the problems encountered by the entrepreneurs of knitting industry.

The respondents of the study, as presented by the owners or managers, were interviewed using survey questionnaire.

Knitting industry in Mines View, Botanical Garden and Pacdal is dominated by females and most of them are 30 years old and above. Most of them are also married and did not finish their studies.

Almost all of the respondents solely owned their business for six years and above. Most of the firm's costumers or buyers are foreign tourist and local tourist.

Entrepreneurs usually used their products in piece and purchased in dozen to minimized cost. Entrepreneurs put their business in tourist spots and in other places frequented by tourist and visitors, the also prefer public places where many people used to go.

Respondent's biggest problems are many competitors, high cost of materials and seasonal demand for products.

Conclusions

Based on the findings, the following conclusions are made:

1. Most of the entrepreneurs are females, 30 years old and above, and married.

2. Almost all knitting industries are sole proprietorship and have been in operation for six years and above.

3. Knitted products are sold in pieces and purchased in dozens.

4. Particular places were chosen as they are essentially tourist destination where most of the firm's costumers are local tourist and tourist.

5. The three major problems encountered by the retailers are many competitors, high cost of materials, and demand for products are seasonal.

Recommendations

In line with the finding of the study, the following recommendations are forwarded:

1. Each enterprise should study the people as to their needs, wants and also their behavior, and then identify whom they must offer each kind of their products.

2. Knitters must design new style and innovate some of their old designs to catch more customers.

3. Knitters must consider retailers in other places as their target market not only around Baguio City. In this case, knitters must ensure attractive styling and good service.

4. For other knitters, they should make their own product brand so that their products are differentiated from their competitors.

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APPENDIX A

Survey Questionnaire
(Retailers)

1. Status of knitting industry

A. Profile of the entrepreneurs

Name :(optional) ________________________________

Age: _____ Sex: __________ Civil Status: ___________

Educational Attainment: ____________________________________

B. Profile of the business

Name of the business enterprise: ______________________________

Form of business ownership:

( ) Cooperative

( ) Corporation

( ) Partnership

( ) Sole proprietorship

( ) Others (please specify) ____________________________

Business capital:

( ) 20,000-50,000

( ) 51,000-80,000

( ) 81,000-110,000

( ) Others (please specify) ____________________________

Number of years in operation:

( ) ≤ 5

( ) 6-10

( ) 11-15

( ) others (please specify) ______________________________

2. What are your practices in buying and selling?

A. Mode of purchase employed

( ) Per piece

( ) Per dozen

( ) Others (please specify) ______________________________

B. Mode of selling employed

( ) Per piece

( ) Per dozen

( ) Others (please specify) ______________________________

Do you knit your own product and directly sell it?

( ) yes ( ) no

(If NO, please fill up the following)

In case you purchase the products you sell, what are your agreements with your supplier?

( ) all products must be paid in full amount upon delivery

( ) products delivered could be paid in partial amount

( ) down payment is required before delivering the products

( ) payments could be in terms of credit

( ) Others (please specify) ______________________________

Which is more advantageous to you? Why?

( ) knit your own product and directly sell

Reasons: ____

( ) buy products from outside knitters

Reasons: ____

( ) buy the raw materials and let others knit for the firm.

Reasons: ____

( ) others (please specify) ____

3. Who are your costumers or buyers?

( ) local tourist

( ) foreign tourist

( ) walk in

( ) others (please specify) _______________________________

4. Volume of sales

YEAR/ PESOS	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
20,000 - 40,000										
40,000 - 60,000										

60,000 - 80,000										
80,000 -100,000										
Others ______________										

5. What are the problems you encountered?
   ( ) Location of the business
   ( ) Availability of the resources
   ( ) High cost of materials
   ( ) Designs of knitted products
   ( ) Lack of permanent skilled laborers
   ( ) Too many competitors
   ( ) Decrease market demand
   ( ) Demand for the product is seasonal

   ( ) Others (please specify) ________________________________

How do you cope up with your problems?

____

____

APPENDIX B

Survey Questionnaire
(Knitters)

1. Status of knitting industry

A. Profile of the entrepreneurs

Name :(optional) ________________________________

Age: _____ Sex: __________ Civil Status: ___________

Educational Attainment: ____________________________________

B. Profile of the business

Name of the business enterprise: _______________________________

Form of business ownership:

( ) Cooperative

( ) Corporation

( ) Partnership

( ) Sole proprietorship

( ) Others (please specify) __________________________

Business capital:

( ) 20,000-50,000

( ) 51,000-80,000

( ) 81,000-110,000

( ) Others (please specify) __________________________

Number of years in operation:

( ) 5

( ) 6-10

( ) 11-15

( ) others (please specify) ___________________________

2. Sources of raw materials

( ) within the country (Please specify)______________________________

( ) outside the country (Please specify)______________________________

3. Products produced

( ) bags

( ) purses

( ) wallets

( ) cell phone holder

( ) pouch

( ) clothing

( ) others (please specify) ______________________________

4. Mode of purchase of raw materials

( ) per piece

( ) per dozen

( ) others (please specify) _______________________________

5. Marketing practices

( ) delivery

( ) pick-up

( ) others (please specify) _______________________________

6. Volume of production per product

Small size

( ) 10-20 per month

( ) 20-30 per month

( ) 30-40 per month

( ) others (please specify) _________________________________

Medium size

( ) 10-20 per month

( ) 20-30 per month

( ) 30-40 per month

( ) others (please specify) ______________________________

Big size

( ) 10-20 per month

( ) 20-30 per month

( ) 30-40 per month

( ) others (please specify) ______________________________

7. To whom do you supply your products?

( ) retailers within Baguio

( ) Metro Manila

( ) others (please specify) _________________________________

8. Volume of sales

YEAR/ PESOS	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
20,000 - 40,000										
40,000 - 60,000										
60,000 - 80,000										
80,000 -100,000										
Others ____________										

APPENDIX C

Survey Questionnaire
(Suppliers of Raw Materials)

1. Status of knitting industry

A. Profile of the entrepreneurs

Name :(optional) ________________________________

Age: _____ Sex: __________ Civil Status: ___________

Educational Attainment: ____________________________________

B. Profile of the business

Name of the business enterprise: _______________________________

Form of business ownership:

( ) Cooperative

( ) Corporation

( ) Partnership

( ) Sole proprietorship

( ) Others (please specify) __________________________

Business capital:

( ) 20,000-50,000

( ) 51,000-80,000

( ) 81,000-110,000

( ) Others (please specify) __________________________

Number of years in operation:

( ) ≤ 5

( ) 6-10

( ) 11-15

( ) others (please specify) ___________________________

2. Sources of materials

( ) own produce

( ) buy from other areas

Please specify the place____

3. Marketing practices

( ) deliver

( ) pick-up

( ) others (please specify) _________________________________

4. Mode of payment

( ) consignment

( ) cash on delivery

( ) others (please specify) _________________________________

5. Volume of sales

YEAR / PESOS	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
20,000 - 40,000										
40,000 - 60,000										
60,000 - 80,000										
80,000 -100,000										
Others _____________										

THANK YOU VERY MUCH!!!!!!