

BIBLIOGRAPHY

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ABSTRACT

This study was conducted covering five selected cooperatives in Atok, Benguet. Three managers and two chairman of the board of directors as key respondents of the study. Specifically the objectives of this study were to: know what are the businesses the cooperatives are in; marketing strategies in terms of product, price, place and promotion; cooperatives' marketing strategies which are successful and sustainable to the cooperative and the problems encountered. The results revealed that majority of the cooperatives offer farm supplies, credit and financing of consumers' goods. The cooperatives also offer marketing services for their member products.

Furthermore, the result shows that with regards to each marketing strategies, cooperatives have their own product uniqueness and value that helps address customers' needs. Cooperatives priced their products based on production cost plus percentage mark-up. Having the objective to satisfy customers and they used direct customers, retailers and promote their product through sales promotion and majority gets their marketing message on occasions and festivals that influence the cooperatives to the innovations and development of their product.



Moreover, with regards to the marketing strategies, cooperatives encountered problems which are in terms of product: lack of raw materials to be used; for price strategy: buyers' preferential differences wherein some customers are value oriented; for place strategy: limited channel of distribution and in terms of promotional strategy is the limited knowledge on promotional strategies. On the other hand, cooperatives have successful and sustainable marketing strategies which are trainings and seminars, effective and efficient service offered products, patent and brand, consistent supply of the product, lending services and social services (Ammoyong, death aid).



INTRODUCTION

Rationale

Atok is a fourth class municipality in the province of Benguet, Philippines. It is centrally located in the heart of the province of Benguet. It is bounded by the municipality of Kibungan and Buguias on the north, the municipalities of the Kabayan and Bokod on the east, the municipality of Kapangan on the west and the municipality of Tublay on the south. It is politically subdivided into eight (8) barangays wherein from present each of this barangay had put up their own cooperatives which are either service, consumer, multi-purpose, producer cooperatives. Most of their cooperatives are multi-purpose, service and consumer cooperatives. Others put up two cooperatives in each barangay.

Each cooperative have their own approaches and strategies in having more customers and members. They have their own way of conceptualizing how to market their product and/or the cooperative itself. Each has their own marketing strategy in helping make their cooperative successful.

Marketing has become an increasingly vital ingredient for business success and one of the most important components required for sustainable operation of Cooperatives (Cravens, 1987).

The process of marketing involves meeting needs profitably, identifying and meeting human and social needs. It is an organizational function and a set of process for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders (Czepiel, 1992).



Nowadays, many cooperatives have succeeded but there are also those which failed for some reasons. One reason can be due to less attention on the marketing aspect of the cooperatives and also many of the Cooperatives' managers and/or executives lack marketing orientation needed in marketing their products and in satisfying their customers. Also, due to existence of competitors and that they lack strategies in marketing their products.

Therefore, Cooperatives must develop marketing mix, in other words, managers, executives and board of directors decide about the most effective composition of the four components of marketing strategy, namely; product/service, price, place and promotion in order for the cooperatives to succeed.

Cooperatives are considered to be an instrument for socio-economic development of the people into a more responsible and more productive citizen. This study will focus on the marketing strategies of the selected Cooperatives in Atok, Benguet to make comparison on their similarities and differences that will be an instrument to strengthen and develop the potentials of the people in building up capital for productive investment and empower them towards economic independence.

Equipped with this set of information, any cooperative will be able to formulate future effective marketing strategies. This means the questions on what product to sell or what service to serve, how to price, where to sell, how to sell or promote the product and service would be best decide upon. Also, Cooperatives would be able to gather the required information to make wise and sound decisions in formulating and applying marketing strategies.



Statement of the Problem

The study focused on the marketing strategies of selected Cooperatives in Atok, Benguet.

Specifically, this study answers the following questions.

1. What businesses the cooperatives are in?
2. What are the marketing strategies of cooperatives in terms of product, price, place and promotion?
3. What are the Cooperatives' marketing strategies that are successful and sustainable?
4. What are the problems encountered by the cooperatives in adopting such strategies?

Objective of the Study

The study aimed:

1. To determine what businesses the cooperatives are in;
2. To identify the marketing strategies of cooperatives in terms of products/ services, price, place and promotion;
3. To determine the Cooperatives' marketing strategies which are successful and sustainable; and,
4. To identify the problem encountered by the cooperatives in adopting such strategies.



Importance of the Study

Since the study is about the marketing strategies of cooperatives, the findings of this study will provide information to researchers as well as to manager or executives in their decision making process in making strategies to achieve organizations' competitive advantage towards the cooperatives' success.

Also, the findings of the study will serve as a strategic tool by cooperatives that enables them to improve strategies in identifying key driving forces and anticipate future market directions. It helps provide numerous benefits including anticipating competitors' actions improve teamwork, promote learning and innovation within the organization.

Furthermore, the study will serve as a reference for students and researchers intending to study marketing strategies.

Scope and Delimitation of the Study

The study focused on the marketing strategy of selected Cooperatives in Atok, Benguet. It is delimited to managers and chairman of the board of directors of every selected cooperative in Atok, Benguet.



REVIEW OF LITERATURE

Marketing Strategy Defined

Marketing strategy is a process that can allow an organization to concentrate its resources on the optimal opportunities with the goals of increasing sales and achieving a sustainable competitive advantage. Marketing strategies includes all basic and long-term activities in the field of marketing that deal with the analysis of the strategic initial situation of a company and the formulation, evaluation and selection of market-oriented strategies and therefore contribute to the goals of the company and its marketing objectives (Kohls and Downy, 1972).

Marketing strategies serve as the fundamental underpinning of marketing plans designed to fill market needs and reach marketing objectives. Plans and objectives are generally tested for measurable results. Commonly, marketing strategies are developed as multi-year plans, with a tactical plan detailing specific actions to be accomplished in the current year. Marketing strategies are dynamic and interactive. They are partially planned and partially unplanned (Evans and Berman, 1990).

Marketing strategy involves careful scanning of the internal and external environments. Internal environmental factors include the marketing mix, plus performance analysis and strategic constraints. External environmental factors include customer analysis, competitor analysis, target market analysis, as well as evaluation of any elements of the technological, economic, cultural or political/legal environment likely to impact success. A key component of marketing strategy is often to keep marketing in line with a company's overarching mission statement. Once a thorough environmental scan is complete, a



strategic plan can be constructed to identify business alternatives, establish challenging goals, determine the optimal marketing mix to attain these goals, and detail implementation. A final step in developing a marketing strategy is to create a plan to monitor progress and a set of contingencies if problems arise in the implementation of the plan (Aaker, 2008).

Cooperative Defined

Cooperatives (Laidlaw, 1974) are duly registered association of persons with common bond of interest, who voluntarily joined together to achieve a lawful common social and economic end, making equitable contributions to the capital required and accepting a fair share of the risks and benefits of the undertaking in accordance with universally accepted cooperatives principles.

Moreover, cooperative as defined by Grove (1985) is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. It has their own principles, strategies and approaches in managing their cooperatives.

Classification of Cooperatives

According to Mcleod (2006) the business or enterprise of cooperatives may be classified as to activities.

Credit cooperative. Promotes and undertakes savings and lending services among its members. It generates a common pool of funds in order to provide financial assistance to its members for productive and provident purposes.



Consumer cooperative. The primary purpose is to procure and distribute commodities to members and non-members. It aims at fulfilling the needs and aspirations of their members and further uniting consumers for joint purchases and for the production of consumers' goods and subsequent sales of these goods to its members and the population.

Producer cooperative. It undertakes joint production whether agricultural or industrial. The production and processing of raw materials or goods produced by its members into finished or processed products for sale by the cooperative to its members and non-members. Any end product or its derivative arising from the raw materials produced by its members sold in the name and for the account of the cooperative, shall be deemed a product of the cooperative and its members.

Marketing cooperative. It engages in the supply of production inputs to members and marketing their products. It specializes in providing its members with marketing services, bringing goods from the producers to the consumers. Maybe considered as a process of marketing producer which enables the growers to market their produce at better prices, followed by the intention of securing better marketing services and ultimately contributing to improvement in the standard living of members.

Service cooperative. It provides service to their members. Also, it engages in the medical and dental care, hospitalization, transportation, insurance, housing labor, electric light and power, communication professional and other services. It is important part of the definition of a service cooperative and provides clues to its nature and its method of working. It means for example that it does not provide services to other than its members and therefore the user of its services must become members.



Multi-purpose cooperative. This combines two or more of the business activities of a cooperative. For instance the cooperative service is a combination of credit lending production and provision of consumer goods.

Functions Performed by Cooperatives

Cooperatives may perform one or more three core functions; marketing products, purchasing supplies and providing services (McLeod, 2006).

Marketing cooperative. It assist members maximize the return they receive for goods they produce. Most cooperative marketing activity involves either agricultural products or those of producers in related industries such as forestry, aquaculture and horticulture. New marketing ventures are developing in such diverse industries as handicrafts, professional services and information technology. Some marketing cooperatives limit their activity to negotiating prices and terms of sale with buyers. Growers of fruits and vegetables for processing and dairy farmers are primary users of these cooperatives.

Other marketing associations assemble member production into large quantities for sale to further processors, wholesalers or retailers. This first-handler role is common for cooperatives of grain growers and producers of fruits and vegetables for the fresh produce market.

Furthermore, marketing cooperative add further value to member production by processing or manufacturing member products into other more valuable products. These may serve as ingredients in further processed products or be sold to institutional buyers and restaurants for their direct use, to grocery chains for resale as private label products, or to brand-name companies for resale under their brand. Cooperatives that process dairy products, fruits,



vegetables, grains, fish, and lumber exemplify these value-added processing activities. Marketing cooperatives enable members to extend control of their products and realize additional margins through processing, distribution and sale.

Purchasing cooperatives. These were first used by farmers to gain access to affordable, quality production supplies such as feed, fuel, fertilizer and seed. These early efforts often became businesses having full-time managers and warehouses to handle other production supplies and services such as farm chemicals, animal health products, fencing, building supplies, construction contracting, automotive accessories, etc. Many local purchasing cooperatives have affiliated with other such organizations, often through regional and national federated cooperatives. These efforts reduce member costs and strengthen their purchasing power through direct ownership of large-scale facilities. Today many nonfarm businesses have developed supply purchasing cooperatives to gain access to the same volume discounts and quality control assurances long available to farmers. These include hardware stores, independent grocery stores and fast food restaurant franchisees

Service cooperatives. These were also developed to serve farmers. Some of these services are farm-specific such as recommending and applying fertilizer, lime, or pesticides; animal feed processing and crop harvesting. Others are general in nature such as credit through the Farm Credit System, electricity through rural electric cooperatives and communications service through rural telephone cooperatives. Nonagricultural service cooperatives are also flourishing. Credit unions and the National Cooperative Bank provide credit on a cooperative basis to nonfarm individuals and cooperatives. School systems, health care providers, and insurance buyers are among the general public segments making use of service cooperatives.



Benefits of Cooperatives

People buy stock in a non-cooperative business to make money on their investment. The more of the company you own, the more benefits (stock appreciation and dividends) you will realize if the business succeeds.

According to Dogarawa (n.d.) the benefits of being a cooperative member differ in two ways. First, the advantages are more numerous. Second, they are distributed on the basis of how much use you make of the cooperative, rather than your equity stake. Here are some benefits of cooperative membership and how they relate to use.

Access to quality supplies and services at reasonable cost. By banding together and purchasing business supplies and services as a group, individuals offset the market power advantage of firms providing those supplies. You can gain access to volume discounts and negotiate from a position of greater strength for better delivery terms, credit terms, and other arrangements. Suppliers will be more willing to discuss customizing products and services to meet your specifications if the purchasing group provides them sufficient volume to justify the extra time and expense.

The larger the group purchasing supplies and services through the cooperative, the greater the potential for savings. And the more each individual member uses the supply operation, the more he or she may save over doing business elsewhere.

Also, cooperative members are to manufacture their own supplies and hire experts directly to provide essential services. This gives members even more reliable sources of supply and greater control over the types of products available, the cost and the quality of the services received.



Increased clout in the marketplace. Marketing on a cooperative basis like purchasing supplies and services, permits members to combine their strength while maintaining their status as independent business people. They can lower distribution costs, conduct joint product promotion, and develop the ability to deliver their products in the amounts and types that will attract better offers from purchasers. Through cooperative marketing, members can share information and negotiate with buyers from a position of greater strength and security. They can also develop processing facilities by themselves or as part of a joint venture with other cooperative or non-cooperative firms.

A cooperative can also serve as a vehicle for people selling goods and services to work with their customers to promote industry research, reduce regulatory burdens, and develop markets for their products. The cooperative can help create a "win-win" situation for the entire industry, a business environment where both producers and buyers have more income.

Share in the earnings. Some people talk about non-cooperative firms operating "for profit" while cooperatives operate "at cost." This isn't totally accurate. Most cooperatives generate earnings. They differ from non-cooperative firms in how they allocate and distribute their earnings.

A non-cooperative firm retains its earnings for its own account, or perhaps pays part of them out to shareholders as dividends, based on the amount of stock each investor owns. In a cooperative, earnings are usually allocated among the members on the basis of the amount of business each did with the cooperative during the year. Permitting their cooperative to accumulate retained patronage refunds is a relatively easy and painless way for members to help finance activities and growth. Also, if certain rules are followed, the



cooperative may deduct both the cash pay-outs and the retained patronage refunds from its taxable income. This makes cooperative earnings particularly valuable.

Political action. Growers, small business owners, and other rural residents have to realize that no one gives you a favorable law or regulatory ruling just because you think you deserve it. You have to build your case and argue your point convincingly. A cooperative gives people a means to organize for effective political action. They can meet to develop priorities and strategies. They can send representatives to meet with legislators and regulators. These persons will have more influence because they will be speaking for many and not just for themselves.

They can also form coalitions with other groups having similar views on issues. The larger the voice calling for a specific action, the more likely that the system will respond with the policy you desire.

Local economy enhanced and protected. Having its businesses owned and controlled on a cooperative basis helps your entire community. Cooperatives generate jobs and salaries for local residents. They pay taxes that help finance schools, hospitals and other community services.

When a business is a cooperative, your town is less likely to lose those jobs and taxes. A business owned by one person or a subsidiary of a big company, can easily be moved to another community. When many local people share the ownership of a cooperative, no individual or company can take it from your area or simply close it. Only the membership as a whole can make such decisions.

Role of Cooperative in Economic Development



Cooperatives are community-based, rooted in democracy, flexible and have participatory involvement which makes them well suited for economic development (Gertler, 2001). The process of developing and sustaining a cooperative involves the processes of developing and promoting community spirit, identity and social organization as cooperatives play an increasingly important role worldwide in poverty reduction, facilitating job creation, economic growth and social development (Gibson,2005).

Cooperatives are viewed as important tools for improving the living and working conditions of both women and men. Since the users of the services they provide owned them, cooperatives make decisions that balance the need for profitability with the welfare of their members and the community which they serve. As cooperatives foster economies of scope and scale, they increase the bargaining power of their members providing them among others benefits, higher income and social protection. Hence, cooperatives accord members opportunity, protection and empowerment -essential elements in uplifting them from degradation and poverty (Somavia, 2002). As governments around the world cut services and withdraw from regulating markets, cooperatives are being considered useful mechanisms to manage risk for members and keep markets efficient (Henehan, 1997). In a number of ways, cooperatives play important role in global and national economic and social development. With regard to economic and social development, cooperatives promote the “fullest participation of all people” and facilitate a more equitable distribution of the benefits of globalization. They contribute to sustainable human development and have an important role to play in combating social exclusion. Thus, the promotion of cooperatives should be considered as one of the pillars of national and international economic and social development (Levin, 2002).



In addition to the direct benefits they provide to members, cooperatives strengthen the communities in which they operate. According to Somavia (2002), cooperatives are specifically seen as significant tools for the creation of decent jobs and for the mobilization of resources for income generation. Many cooperatives provide jobs and pay local taxes because they operate in specific geographical regions. According to Levin (2002), it is estimated that cooperatives employ more than 100 million men and women worldwide. Cooperatives can provide locally needed services, employment, circulate money locally and contribute to a sense of community or social cohesion. They can provide their employees with the opportunities to upgrade their skills through workshops and courses and offer youth in their base communities short and long-term employment positions. Students could also be employed on casual-appointment basis during long vacations. Through these, cooperatives will contribute to economic development.

Challenges of Cooperative Societies

Cooperatives over the world are in a state of flux. In almost all parts of the world, cooperatives face one or more of the following crises: crisis of ideology, crisis of capital, crisis of credibility and crisis of management (Taimni, 1997). Cheney (1995) identified challenges facing cooperatives. These are cultural transformation, competition and expansion, wage solidarity, centralization and reorganization, strategies and approaches and programme to increase productivity and participation. Groves (1985) on the other hand, posits that one of the major problems of cooperatives is how to keep balance in the two parts of cooperative business' efficiency and democracy, since those who are charged with the operation of a cooperative chiefly, the board and manager must serve two masters:



the imperatives of good business practice and the social purpose of a community of people. Hence, to maintain their special character, cooperatives must be two things in one: a business organization and a social movement. This is what makes a cooperative a business enterprise with a human face and so very difficult to manage. In striving for efficiency, cooperatives often tend to imitate other business, but in pursuing a social purpose they bring out the features which make them different (Laidlaw, 1974). Educating, training and retraining of members in general and officers in particular are always a challenge to cooperatives especially in developing countries. A cooperative without a strong component of education is in danger of losing its essential character, that is, the human and personal characteristics which distinguish it as a cooperative. Education is of paramount importance to the cooperative sector. Unless all those responsible for cooperatives (directors, officers, members, staff) are well informed and knowledgeable, cooperatives are likely, in some countries, to become much like capitalist, profit-seeking business, or in other countries to become handmaids of the State. Education makes people easy to lead, but difficult to drive; easy to govern but impossible to enslave. Assuming the validity of the sector concept (the "mixed economy", as it is often called), cooperators face such questions as what type of business activity is most suitable for each of the three sectors, public, private and cooperative? Are there certain kinds of business that rightfully belong to the public sector? Are there others which are best left to private enterprise? What kinds ideally, are most suitable for the cooperative way of business? Are there some fields in which all three may engage and compete? Hence, one other challenge that cooperative societies face is the choice of business most suitable for the enterprise.



Another challenge facing cooperatives is adaptation. No business in a national economic system is completely independent and self-sufficient but operates in conditions of dependence and interdependence. Similarly, the State and public enterprise depend greatly on private enterprise or on cooperatives. Sometimes, private-profit business depends on cooperatives. And of course, the reverse, cooperatives depending on private business in some way or other, is quite common. Thus, cooperatives cannot be thought of as an exclusive economic system but rather as one section of the total economy. They constantly operate in co-existence with other forms of business and sometimes in conjunction with them. Co-operatives therefore, have to adapt themselves by struggle in one place, by agreement in another to the elements of a complex environment, partly free and partly organized. It must now decide what place it means to claim for itself in the new economy, either organized or in process of organization.

In addition, the cooperative sector suffers from an internal handicap of its own making; the frequent failure of various types of cooperatives to work closely together as a sector. Because of their voluntary and democratic nature, cooperatives have been reluctant to impose strict disciplines on themselves - they much prefer to act by common consent and persuasion. Often, management of cooperatives relies on relationship or is moved by sympathy to act against even the societies' bylaws. Cooperation among Cooperatives, the different needs of customers, members, patrons, and owners challenges the cooperative's board of directors and manager to make good business decisions. Business earnings of the cooperative must be great enough to systematically rotate the investment of members, pay patronage, and offer goods and services at reasonable prices or pay fair market value for



customer's products. This unique business structure dictates that the manager, board of directors and members understand the business and cooperative structure.

Marketing Mix Element

Marketing activities comes in all forms. One traditional depiction of marketing activities is in terms of marketing mix, which has been defined as a set of marketing tools the firm uses to pursue its marketing objectives and strategies and was classified as the four P's of marketing, product, price, place, promotion. Marketing mix decisions must be made for influencing the trade channels as well as final consumers (Kotler, 1986).

Marketing mix helps the company to determine what goods or product to offer, to decide what distribution mix to use, to inform customers and determine the overall level of price. The main concept of marketing mix depends on number of decisions with regards to the four major variables of the four P's (Kotler, 2000).

Rue and Holland (1986) states that marketing mix strategy is also familiar as the four P's of marketing (product, place, price, promotion) provides a good starting point for consideration of the requirements of strategy implementation in the marketing function. Marketing strategy is an overall program based upon selecting a particular target of the market (Jurado and Llanes, 1982).

A company's marketing managers are responsible for planning and implementing all the activities that result in the transfer of goods or services to its customers. These activities culminate in the marketing plan-detailed strategy for focusing marketing efforts on needs and wants. Therefore, marketing strategy begins when a company identifies a consumer need and develops a product to meet it. In planning and implementing strategies,



marketing managers develop the four basic components of the marketing mix. (Elbert and Greffin, 2000).

The Product

It is seen as an item that satisfies what a consumer needs or wants. It is a tangible good or an intangible service. Every product is subject to a life-cycle including a growth phase followed by a maturity phase and finally an eventual period of decline as sales falls. Marketers must do careful research on how long the life cycle of the product they are marketing is likely to be and focus their attention on different challenges that arise as the product moves through each stage. The marketer must also consider the product mix. Marketers can expand the current product mix by increasing a certain product line's depth or by increasing the number of product lines. Marketers should consider how to position the product, how to exploit the brand, how to exploit the company's resources and how to configure the product mix so that each product complements the other. The marketer must also consider product development strategies (McCarthy, 1960).

Marketing begins with a product- a good, a service or an idea designed to fill a consumer need or want. Conceiving and developing new products is a constant challenge for marketers, who must always consider the factor of change- changing of technology, changing consumer wants and needs, and changing economic conditions. Marketing consumer needs often means changing existing products to keep face emerging markets and competitors.

Product differentiation. Producers often promote particular features of products in order to distinguish them on the market place. Product differentiation is the creation of the feature



or image that makes a product differ enough from existing products to attract customers (Elbert and Greffin, 2000).

Go (1997) states that the product function is to provide benefits desired by the target in its feature like quality, service, brand packaging. Considering the product life cycle, when a product reaches maturity before its decline, the product must gain a new life cycle. To do this, continuous product innovation and product development are a requirement. Innovation may mean repositioning the product by adding better feature or giving it a new image or developing new concepts, system and approaches. Packaging is an important factor in projecting the product image.

The Price

“The art of pricing is to have the price be an equate to the value of the product to the customers –anything less than that represents a sacrifice in potential profits.”

E. Raymond Corey

The price is the amount a customer pays for the product. The price is very important as it determines the company's profit and hence, survival. Adjusting the price has a profound impact on the marketing strategy, and depending on the price elasticity of the product, often it will affect the demand and sales as well. The marketer should set a price that complements the other elements of the marketing mix. When setting a price, the marketer must be aware of the customer perceived value for the product. Three basic pricing strategies are: market skimming pricing, market pricing and neutral pricing.



The 'reference value' (where the consumer refers to the prices of competing products) and the 'differential value' (the consumer's view of this product's attributes versus the attributes of other products) must be taken into account (McCarthy, 1960).

The second critical marketing mix tool is the price. The concept of price is the amount paid by the customers for a certain product or service. This can also be defined as a certain value paid by the user of a certain product. Price can take many forms, but in the final analysis it is what a buyer pays a seller for a product, service, license or future obligation. A product price may be termed as a list price, sales or markdown price. A price for service may be referred as fee or tuition (Holland, 2000).

In marketing mix, price is the only element that produces revenue, all other marketing mix represent cost. Price is also one of the most flexible elements of the marketing mix where it can be changed quickly. Price affects most the demand, the company's sales, the market share and profit. The price indicates to companies what to produce and who will be their customers.

Go (1997) revealed that the price function is to make the product affordable to target market and reflect the value of benefits provided. Customers and competition must be considered in setting the prices. Tactics in prices include variation, discounts, psychological pricing and price lining.

Rue and Holland (1986) states that pricing must be considered in relation to costs, consistency and potential inflation. Benefits of well-conceived pricing include increasing sales to current customers, attracting new customers, maximizing short-run cash flow, and maintaining an established position. Pricing product through the prevailing price is another strategy in commonly practiced. The price for the service is reasonable and fair; moreover,



much competition was noted with the presence of the same services within the vicinity (Mahmood, 1996).

Pricing is also a crucial element of marketing mix because profit implication affects the long term success of any enterprise. Many factors influence pricing decision, for example is cost, competition, type of product or service, image, supply and demand, environmental factors such as legislation, taxes and exchange rates. Other decisions on pricing include different ways of pricing, discounts and credits (Majaro, 1993).

The Promotion

It represents all of the methods of communication that a marketer may use to provide information to different parties about the product. Promotion comprises elements such as: advertising, public relations, personal selling and promotion. Advertising covers any communication that is paid for, from cinema commercials, radio and Internet advertisements through print media and billboards. Public relations is where the communication is not directly paid for and includes press releases, sponsorship deals, exhibitions, conferences, seminars or trade fairs and events (McCarthy, 1960).

Promotion has its own task in the marketing mix to communicate to the customers what the other elements offer. The promotion of a product communicates what market or what must be done to satisfy consumer's needs. The promotion component of the marketing mix includes four major elements such as personal selling, advertising, sales promotion and public relation. Almost all promotion conveys some kind of information about the product and service availability and use. It informs the customers about the functional and psychological needs the product is designed to satisfy. Promotion is also to remind the



customers that the product is still available. It also communicates directly or indirectly through words and sounds. Promotion is done either to effectively inform and persuade target market or to offer a positive image of the company and brand which convince customers to buy (Go, 1997).

A promotional strategy is like a general overall battle plan, it tells a broad term how a firm will see promotion to secure an advantage over the competition to attract buyers and capitalize on its resources. A firm's objective indicates where it wants to go, and its strategy describes how it will get there and how it will accomplish its objectives. The most important promotional tools includes advertising, personal selling, sales promotions and public relations (Rue and Holland, 1986).

The Place

It refers to providing the product at a place which is convenient for consumers to access. Place is synonymous with distribution. Various strategies such as intensive distribution, selective distribution, exclusive distribution and franchising can be used by the marketer to complement the other aspects of the marketing mix.

Furthermore, place is usually referred to as the channel or distribution. This has been very important in business. It is very important to have the product at the right place. Having the product at the right place is to go near the target market customer. Bringing the product to the target customer is to minimize cost in the business. The purpose is to make the product available and accessible to target customers. Traditional concept of physical distribution typically started at the plant and involved bringing low cost solution to get them to customers (Holland, 1986).



Go (1997) states that place is otherwise seen as distribution and its function is to make the product conveniently available to make market consistent with its purchasing patterns. Influencing factors may be the customers, product or competition are the external factors and as for the initial factors is the experience, production (control requirements as of the transportation cost and economic aspect). The distribution system brings the product or service to the place where it can best fill customer's needs. Access to distribution can mean the difference between success and failure for new product.

Placing a product in the proper outlet-say, a retail store requires decisions about several activities, all of which are concerned with getting the product from the producer to the consumer. Distribution is also all about finding the best outlet for costumers to receive the products and/or services the cooperatives offer. Distribution is establishing a system that gets the product to where the customers want to buy it (Majaro, 1993). The business has to decide on a channel of distribution which may be described as a system of people and organization that get product or service from the producer to the customer. Distribution decisions include deciding on whether to use a direct or an indirect distribution channel and where the business is to be located (Hutt and Stull, 1992).



Definition of Terms

Clout. Special advantage or influence; advantage, vantage - the quality of having a superior or more favorable position; "the experience gave him the advantage over me".

Combating. To fight or contend against; oppose vigorously; to struggle and strive in conflict.

Joint venture. A joint venture (JV) is a business agreement in which parties agree to develop, for a finite time, a new entity and new assets by contributing equity. They exercise control over the enterprise and consequently share revenues, expenses and assets.

Strategies. As a way of action, becomes necessary in a situation when, for the direct achievement of the main goal, the available resources are not enough. The task of strategy is an efficient use of the available resources for the achievement of the main goal. Tactics is the tool to implement strategy, and is subordinated to the main goal of strategy.

Sustainable. Refers to a mode of human development in which resource use aims to meet human needs while preserving the environment so that these needs can be met not only in the present, but also for generations to come; capable of being sustained; capable of being continued with minimal long-term effect on the environment: sustainable agriculture.

Successful. Having a favorable outcome; having obtained something desired or intended; having achieved wealth or eminence.

Intrinsic value. Create a new desire or the ability to satisfy needs and wants

Product innovation effectiveness. Developing new product and giving new image.



METHODOLOGY

Locale and Time of the Study

In order to obtain the desired information, this study was conducted from January to February 2013 in Atok, Benguet.

Respondents

The respondents of the study were managers and chairman of the board of directors of primary selected Cooperatives in Atok, Benguet. Specifically the Abiang Community Multi-Purpose Cooperative (ACMPC), Banayakew Multi-Purpose Cooperative (BMPC), Caliking Consumer Multi-Purpose Cooperative (CCMPC), Mountain Blooms Multi-Purpose Cooperative (MBMPC) and Topdac Multi-Purpose Cooperative (TMPC).

Research Instrument

Survey questionnaire was employed in the study. Personal interview was conducted to validate information gathered in the survey questionnaire.

Data Gathered

The data gathered were the marketing strategies in terms of product, price, place and promotions of selected primary cooperatives in Atok, Benguet. It includes the marketing strategies which are successful and sustainable and the problems encountered in adopting such strategies.

Data Analysis



The data collected were categorized, tabulated and interpreted according to the objectives of the study using tables and descriptive method like frequency and percentage analysis.



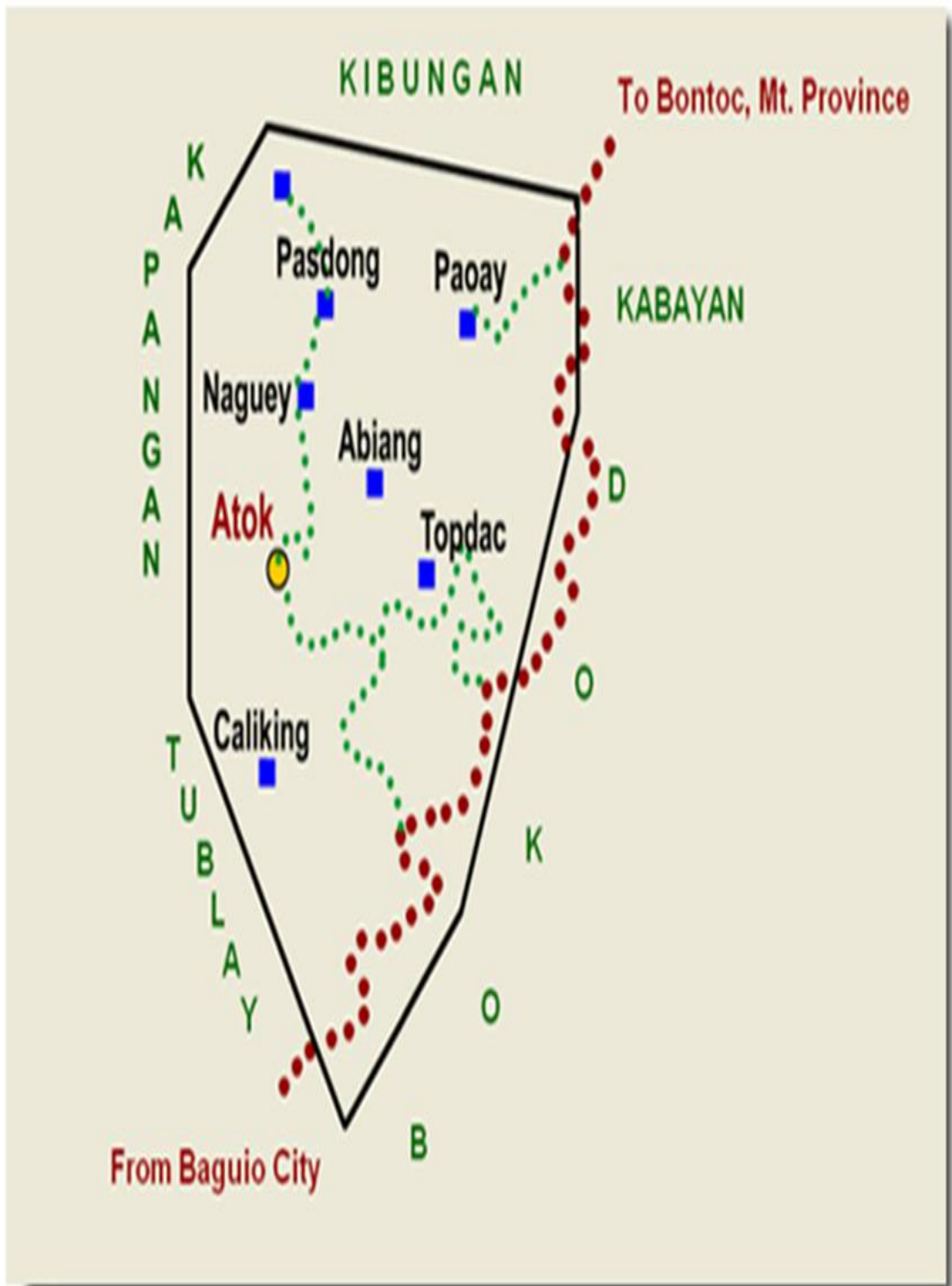


Figure 1. Location Map of the Study

RESULTS AND DISCUSSION

Profile of Cooperative

Table 1 presents the profile of the five selected Cooperatives in Atok, Benguet. It included the type of Cooperative, when was it organized, initial members and initial paid-up share capital, number of directors and employees.

Type of cooperative. Three (60%) of the respondents are consumer type and two (40%) are operating both consumer and credit type. It implies that though the cooperative is registered as a multi-purpose it does not necessarily mean that the cooperative is operating two or more activities. Some just mainly operate as consumer store.

Year organized. The table shows that two (40%) of the respondents were organized within the year range 2003-2008 and two (40%) from 1990-1995 and only one (20%) respondents was organized within 1980-1985. It shows that TMPC is the oldest cooperative and ACMPC is the youngest cooperative among the five.

Initial members when organized. The result shows that when the cooperative was organized, two (40%) of the respondents had initial members ranging from 15-20 members and two (40%) from 40-50 members and only one (20%) had the initial member of 90-100 members. It implies that the cooperative that was organized first have the largest initial members and those cooperatives that were organized lately have few initial members.

Initial paid-up share capital when organized. The table shows that only one (20%) of the respondents have the initial paid-up share capital ranging from 4,000-8,000 pesos while two (40%) of the respondents from 9,000-13,000 and two (40%) from 14,000-



18,000. It shows that the Cooperatives' initial paid up share capital when organized was quite small, lesser than Php 20,000.

Number of directors. Table 1 shows the number of members comprising the board of directors in each cooperative. Ideally a cooperative should have at least minimum of five directors and a maximum of fifteen. The result shows that two (40%) of the cooperatives have 4-5 directors and 3 (60%) have 6-7 directors.

Number of employees. The table shows that three (60%) of the cooperatives have one to three employees, one (20%) of the cooperative have 4-6 employees and one (20%) with 10-12 employees.

Table 1. Profile of Cooperative

CHARACTERISTICS	FREQUENCY	PERCENTAGE
Type of Cooperative		
Consumer	3	60%
Multi-Purpose	2	40%
TOTAL	5	100%
Year Organized		
2003-2008	2	40%
1990-1995	2	40%
1980-1985	1	20%
TOTAL	5	100%
Initial Members when Organized		
15-20	2	40%
40-50	2	40%
90-100	1	20%
TOTAL	5	100%



Table 1. Continued...

CHARACTERISTICS	FREQUENCY	PERCENTAGE
Initial Paid-Up Share Capital when Organized		
4,000-8,000	1	20%
9,000-13,000	2	40%
14,000-18,000	2	40%
TOTAL	5	100%
Number of Directors		
4-5	2	40%
6-7	3	60%
TOTAL	5	100%
Number of Employees		
1-3	3	60%
4-6	1	20%
10-12	1	20%
TOTAL	5	100%

Cooperative Leaders

Table 2 presents the general information of the respondents such as age, gender, civil status, educational attainment, occupation, position in the cooperative and years of membership in the cooperative.

Age. Most (60%) of the respondents are at the age of 40-45 and two (40%) are at the age bracket of 46-50 wherein the age range of 40-50 are relatively young going to the golden age.



Gender. The table shows that three (60%) of the respondents are male and two (40%) are female which implies that males are more likely nominated to manage or run the cooperative.

Civil status. All (100%) of the respondents are happily married.

Educational attainment. All (100%) of the respondents are high school graduate and that have attended formal education.

Position in the cooperative. Majority (60%) of the respondents are the manager of the cooperative and 2 (40%) are the chairman of the board of directors.

Occupation. Aside from being the manager and/or chairman of the board of directors of the cooperative, all (100%) of the respondents are engaged in farming activities. Atok is blessed with fertile lands and favorable climate suitable for the production of various highland crops and thus, all the respondents are into farming.

Years of membership. The table shows that two (40%) of the respondents are members of the coop for 5-20 years and two (40%) for 15-20 years while only one (20%) of the respondents is member of the cooperative for 30-35 years. It shows that from the start the cooperative was organized, they were pioneer members and later became the managers and chairman of the board of directors.

Table 2. General information of the respondents

CHARACTERISTICS	FREQUENCY	PERCENTAGE
Age		
40-45	3	60%
46-50	2	40%
TOTAL	5	100%



Table 2. Continued. . .

CHARACTERISTICS	FREQUENCY	PERCENTAGE
Gender		
Male	3	60%
Female	2	40%
TOTAL	5	100%
Civil Status		
Married	5	100%
TOTAL	5	100%
Education Attainment		
High School Graduate	5	5%
TOTAL	5	100%
Occupation		
Farming	5	100%
TOTAL	5	100%
Position in the cooperative		
Manager	3	60%
Chairman of the Board	2	40%
TOTAL	5	100%
Years of membership		
5-10	2	40%
15-20	2	40%
30-35	1	20%
TOTAL	5	100%



Background Information of the Cooperative

Table 3 presents the products and services offered by the cooperatives.

Farm supplies. Majority (80%) of the respondents are into offering farm supplies such as pesticides, fertilizers and farming materials specifically seedlings. They provide also trainings and seminars such as application of feed fertilizer or pesticides, animal feed processing, crop harvesting, quality control postharvest and technology and irrigation facility maintenance.

Credit. Majority (60%) of the respondents were providing credit to their members such as crop loans. As Mcleod (2006) stated, cooperative offering credit generates a common pool of funds in order to provide assistance to its members for productive and provident purposes. Also, majority (80%) of the respondents are into financing which specifically deals with the consumers goods like foods and appliances that satisfy the needs/wants of customers.

Marketing. All (100%) of the respondents were engaged into marketing which deals with the members' product or cooperative products. The cooperative market their members' product like the Mukosako which is an organic foliar spray for potato blight and CJDRA wine, made of cidra and yeast; cut flowers specifically carnation, roses, callalily, siesta, agapantus and snap dragon; rice wine; potato chips and bags, clothes(sewed).

According to Mcleod (2006), the products and processing of raw materials or goods produced into finished/any end product or its derivative arising from the raw materials produced by the cooperative members sold in the name or account of the cooperative shall be deemed a product of the cooperative.

Table 3. Goods/Services offered by the Cooperative



PARTICULARS	FREQUENCY	PERCENTAGE
Farm supplies (Fertilizers, Pesticides)	5	100%
TOTAL	5	100%
Credit		
Provident/productive loans	4	80%
Financing (common goods, appliances)	4	80%
*Multiple response		
Marketing (member products, coop products)		
Flowers (carnation, roses)	1	20%
Rice wine	1	20%
Mukosako	1	20%
CJDRA wine	1	20%
Potato chips	1	20%
TOTAL	5	100%

Marketing Strategies of the Cooperative

Table 4-9 shows the marketing strategies adopted by the five selected Cooperatives in Atok, Benguet, and also the cooperatives' marketing strategies which are successful and sustainable. And the problems encountered in adopting such strategies in terms of product, price, place and promotion.

As Elbert and Greffin (2000) stated, marketing managers are responsible for planning and implementing all the activities that result in the transfer of goods or services



to its customers. These activities culminate in the marketing plan-detailed strategy for focusing marketing efforts on needs and wants. Therefore, marketing strategy begins when a company identifies a consumer need and develops a product to meet it. In planning and implementing strategies, marketing managers develop the four basic components of the marketing mix (product, price, place and promotion).

A. Product Strategies

Table 4 presents the Cooperatives' strategies in terms of their product, what makes their product unique, value of the product, their target market and customers problems. As McCarthy (1960) stated, product is an item that satisfies what a consumer needs or wants. Marketers must do careful research on how long the life cycle of the product they are marketing is likely to be and focus their attention on different challenges that arise as the product moves through each stage.

The marketer must also consider the product mix and how to position the product, how to exploit the brand, how to exploit the company's resources and how to configure the product mix so that each product complements the other. The marketer must also consider product development strategies.

Target market/customers. One hundred percent of the respondents identified the students, professionals and farmers as their target markets and 60% of the respondents identified tourist and passers-by as some of their target markets. According to Mrs. Picpican, TMPC manager, aside from the mentioned target markets and customers others also are the passers-by specifically passengers and motorist in vans, trucking, private vehicles who happened to stop in their place and after realizing it is a cooperative store, some of them



actually became a member of the cooperativespecially people from of Kibungan, Buguias and Kabayan.

As Jurado (1982) stated, marketing strategy is an overall program based upon selecting a particular target of the market on what a customer needs and wants.

Product uniqueness in the market. The result shows that three (60%) of the respondents says that both utility of the product and product innovation effectiveness are what made their product unique in the market/customers. Also twenty percent of the respondents say that product labeling and packaging are what make their product unique.

As one (20%) of the respondent said, what makes their product unique in the market/customers is that no other products looks like it for they are the only ones producing that kind of flowers (Carnation) and it is only in their place that this kind of flower can grow because of their climate and also having the characteristics of being showy, colorful (complete color like pink, blue, white, red) and long lasting flowers that has become one of the favorite cut flowers which is excellent for floral bouquet.

Furthermore, their product is unique for having good quality a prolong life span or shelf life for each member have their own greenhouse where they plant and secure the quality of the flowers. After harvest, the flowers are conditioned immediately after storage to counteract slight dehydration during storage and it is done either re-cutting the stem by about 2-4 cm or by placing in the preservative or warm water of 38-40 degree Celsius for at least two hours before arranging in a vase or delivering.

One (20%) of the respondents whose product is rice wine stated that the taste of the wine is just exact, no alcohol and water added and for two (40%) of the respondentssaid that what makes their CJDRA wine and mukosako unique is that they are the only ones



producing that kind of wine and no other products looks like it. And for the potato chips of one (20%) of the respondent, it has different flavors like cheese and spicy from different varieties of potato such as granula, raniag and LBR; different sizes like jumbo, super XL and extra used in the production of potato chips.

According to Elbert and Greffin (2000), one must have a product differentiation that would make a certain product unique in the market and would promote particular features of the products in order to distinguish them on the market place. Product differentiation is the creation of the feature or image that makes a product differ enough from existing product to attract customers.

Value of the product to customers. The table shows that all (100%) of the respondents' products provide value to customers and that is customer satisfaction; 60% of the respondents said reliability; durability and tangibility and helps lessen or make work easier is the value of their product provided to customers.

One of the respondent stated that other value their product provide to customers is that having a long shelf life, as Mr. Celo added, their product cannot easily be withered and destroyed ("mabayag nga mausar, mapakinabangan"). It has variety of colors that customers can select and also used to make ceremonial crowns and coronations were decorative head bands made of woven flowers worn by young maidens.

As G0 (1997) imposed, efficiency and effectiveness of a cooperative is not measured by the amount of profit it makes during a time but on how satisfied the members and customers are with the service/product rendered.

Problems and concerns that are addressed by the cooperatives' product and service.

The result shows the multiple responses of the respondents on what are the problems that



were addressed by the product. As Go (1997) stated that the product function is to provide benefits desired by the target market/customers. Majority (80%) of the respondent stated that farming problems such as crop/plant diseases that according to TMPC they have the “Mukosako” which is an organic foliar spray from burned ashes and used to control blight of potatoes; 60% on household problems and 40 % are on sense of belongingness, hunger, thirst, discomfort and self-image enhancement or affective fulfillment.

Table 4. Product strategies

PARTICULARS	FREQUENCY	PERCENTAGE
Target Markets/Customers		
Students	5	100%
Professionals	5	100%
Farmers	5	100%
Tourist	3	60%
Passers-by	3	60%
*Multiple response		
Product Uniqueness in the Market		
Product class dissociation	1	20%
Utility of the product	3	60%
Labeling and packaging	1	20%
Product innovation effectiveness	3	60%
*Multiple response		

Table 4. Continued. . .

PARTICULARS	FREQUENCY	PERCENTAGE
Value of the Product to Customers		



Reliability	3	60%
Durability and tangibility	3	60%
Meet customers' needs and wants	5	100%
Helps lessen or make work easier	3	60%
*Multiple response		
Customers' problems that help solved by the product		
Sense of belongingness		
Hunger, thirst, discomfort	2	40%
Self-image enhancement(affective fulfillment)	2	40%
Farming problems	2	40%
Household problems		
	4	80%
	3	60%
*Multiple response		

B. Pricing Strategies

Table 5 presents the pricing strategies of the Cooperatives on how they price their product, what are their main objective in pricing, what discounts they offer to customers, customers' price sensitivity and cooperatives' pricing. As Go (1997) revealed that the price function is to make the product affordable to target market and reflect the value of benefits provided. Customers and competition must be considered in setting the prices. Tactics in prices include variation, discounts, psychological pricing and price lining. Other decisions on pricing include different ways of pricing, discounts and credits.

Price of the product. The result shows that all (100%) of the respondents price their product based on production cost plus percentage mark-up.



Main Objective in pricing. All (100%) of the respondents had the objective to satisfy customers in pricing their product. And one of the respondents had the objective of greater return to investment. Majaro, (1993) stated that pricing is a crucial element of marketing mix because profit implication affects the long term success of any enterprise.

Discounts offer to customers. Twenty percent of the respondents offer bulk discounting and member discount to customers. Specifically, MBMPC give or offers give-aways like extra bundles or stems of flowers as their discounts to whoever will buy their product and sometimes give their customers the privileges to choose and pick the flowers they wanted right at the green houses. Also for the Mukosako, discount offered is extra liters or ml of mukosako like 150ml and for the rice wine, potato chips and CJDRA wine have only member discount.

Customers price sensitivity. All (100%) of the respondents said that with a small decrease in price it does not gain extra market share wherein if the cooperative lower their price it results to low profit and with a small increase in price gain extra profit wherein if cooperative price their product higher it results to higher profit. As the saying of Raymond Corey stated, the art of pricing is to have the price be an equate to the value of the product to the customers –anything less than that represents a sacrifice in potential profits.

Cooperative pricing. Two (40%) of the respondents price their products same with competitors and 20% of the respondents price their product with the demand of the product, psychological pricing and based on production cost plus percentage mark-up.



Table 5. Pricing strategies

PARTICULARS	FREQUENCY	PERCENTAGE
Price of the Product		
Based on production cost plus percentage mark-up	5	100%
TOTAL	5	100%
Main objective in pricing		
Satisfy customers	4	80%
Greater return to investment	1	20%
TOTAL	5	100%
Discounts offer to customers		
Bulk discounting	1	20%
Member discount	5	100%
*Multiple response		
Customers' price sensitivity		
Small decrease in price doesn't gain extra market share	5	100%
Small increase in price gain profit margin	5	100%
*Multiple response		
Cooperative's pricing		
Psychological pricing	1	20%
Demand of the product	1	20%
Same with competitors	2	40%
Production cost plus percentage mar-up	1	20%
TOTAL	5	100%



C. Place and Distribution Strategies

Table 6 presents the place and distribution strategies of the Cooperatives that included where the cooperative is located, why did they choose that location, having that location who are their target markets, channels of distribution and access to right distribution channel.

Location of the cooperative. The table shows that majority (60%) of the respondent are located near the highway and 40% are away from the highway and market area.

Reasons in choosing the location. Almost all (80%) of the respondents chose the location for its accessibility and 40% choose the location for its safety and customers traffic. While 20% of the respondents specifically ACMPC do not have a choice because there are no more suitable locations.

Target market. The table shows that all (100%) of the respondents targeted students, employees and farmers and 60% targets the passers-by.

Channels of distribution. All (100%) of the respondents used direct customers and retailers as their distribution channels and only 20% uses wholesalers as their channel of distribution. Hutt and Stull, (1992) said that the business has to decide on a channel of distribution which may be described as a system of people and organization that get product or service from the producer to the customer. Distribution decisions include deciding on whether to use a direct or an indirect distribution channel and where the business is to be located.

Access to right distribution channels. The result showed that all (100%) of the respondents access the right distribution channels through delivery and pick up and only 20% of the respondents is through trucking.



Table 6. Place strategies

PARTICULARS	FREQUENCY	PERCENTAGE
Location of the Cooperative		
Near the highway	3	60%
Market area	2	40%
Away from the highway	2	40%
*Multiple response		
Reasons in Choosing the Location		
Accessible	4	80%
Many customers	2	40%
Safer	2	40%
No choice	1	20%
*Multiple response		
Target Market		
Farmers	5	100%
Employees	5	100%
Students	5	100%
Passers-by	3	60%
*Multiple response		

Table 6. Continued. . .

PARTICULARS	FREQUENCY	PERCENTAGE
Channels of Distribution		
Direct customers	5	100%



Retailers	5	100%
Wholesalers	1	20%
*Multiple response		
Access to Right Distribution Channels		
Delivery	5	100%
Pick up	5	100%
Trucking's	1	20%
*Multiple response		

D. Promotion Strategies

Table 7 presents the promotional strategies of the Cooperatives on the method and ways in promoting their product, where and when to get across the marketing message to target market and how does it influence the cooperative choice of promotional activities. As stated by Rue and Holland (1986), promotional strategy is like a general overall battle plan, it tells a broad term how a firm will see promotion to secure an advantage over the competition to attract buyers and capitalize on its resources. A firm's objective indicates where it wants to go, and its strategy describes how it will get there and how it will accomplish its objectives. The most important promotional tools includes advertising, personal selling, sales promotions and public relations.

Methods of promoting the product. Majority (80%) of the respondents uses personal selling in promoting their product; 40% uses sales promotion and 20% of the respondents uses advertising in promoting their product. The result shows that under



advertising, only one (20%) of the respondents specifically MBMPC uses fliers, radio and tarpaulin in advertising their product to attract customers. Other ways is through giveaways or gifts like for TMPC, they do not have promotional strategies but they considered giving Cooperative printed t-shirts, umbrella, hat and bags as ways or methods to attract their customers.

On the other hand, under sales promotion all (100%) of the respondents uses plain product display. Under getting across the market message to target markets were multiple responses from the respondents. All (100%) of the respondents get their market message to target markets during occasions like weddings and birthdays wherein the flowers are needed for bouquet and floral arrangement also wines for the celebrations; 80% says during festivals like parades and 60% says during holidays where many students are spending their holidays in their places and market area on peak seasons.

Influences on the cooperatives' choice of promotional activity. The result shows that all (100%) the respondents were influenced by their target market to innovate and develop their products and services.

As Go (1997) stated, when a product reaches its maturity or even in the marketing message, the product must gain a new life cycle or continuous product innovation and product development by adding better feature or giving it a new image of the product.



Table 7. Promotion Strategies

PARTICULARS	FREQUENCY	PERCENTAGE
Ways of promoting the product		
Advertising		
Radio	1	20%
Tarpaulins	5	100%
*Multiple response		
Sales promotion		
Plain product display	5	100%
Give aways	2	40%
*Multiple response		
Getting across the marketing message		
Market area on peak season	3	60%
Occasions	5	100%
Festivals	4	80%
Holidays	3	60%
*Multiple response		
How does it influence the coop		
Innovation and development	5	100%
TOTAL	5	100%

Successful and Sustainable Marketing Strategies

Table 8 presents that all (100%) of the respondents stated that trainings and seminars were the strategies which are successful and sustainable to their Cooperatives. As the managers and chairman of each cooperatives stated, attending trainings and seminars/programs enhance their knowledge on cooperatives that would help them become more active in the cooperative. Further, Four (80%) of the respondents said that effective



and efficient service offered by the cooperative and having focused on common goods and wants of target markets are also one of the cooperatives marketing strategies. Also, two (40%) of the respondents said that one of their strategies is that offering product having its own/patent brand that attracts customers to buy. As Go (1997) said, product innovation/development may mean repositioning the product by adding better features, giving it a new image or own/patent brand for packaging is an important factors in projecting the product image.

Moreover, 20% of the respondent stated that consistent supply or having the comparative advantage is what made their cooperative successful and sustainable because of the consistent supply of the product. For TMPC one strategy that sustains their cooperative is the lending and social services (“Ammoyong” Death aid) a kind of mutual fund given in case of death of one person and with this many became a members of the cooperatives.

Table 8. Successful and Sustainable Marketing Strategies

PARTICULARS	FREQUENCY	PERCENTAGE
Products offered have its own patent/brand that attracts customers to buy	2	40%
Focus is on common goods and wants	4	80%
Trainings and seminars/programs	5	100%
Effective and efficient service offered	4	80%
Consistent supply(comparative advantage)	1	40%
Ammoyong Association and lending services	1	40%
*Multiple Responses		



Problems Encountered in Adopting such Strategies

Table 9 presents the problems encountered by the respondents in adopting such strategies.

Product strategies. In terms of product strategies, all (100%) of the respondents encountered lack of raw materials to be used and 40% of the respondents stated limited production and finance. Funds are not enough to be used in the making or developing of products. According to one (20%) of respondent, they do not have unique image of their product for they lack raw materials to be used specially on packaging and labeling as well. The bottles used for their Mukosako is the coco-cola plastic having no label and as to their wine it was bottled in an emperador or blue gin bottle.

Furthermore, one (20%) of the respondent admitted that financial support is not enough to sustain their product, to buy planting materials specially the seedlings which are to be imported from China, South Korea and Poland and that they do not have the capability or enough financial support to import seedlings. As a result the respondents just propagate or generate new seedlings from the past planting but no longer the same quality as time passes.

Price strategies. Majority (60%) of the respondents encountered the problem buyers preferential differences- wherein some customers are value oriented (want to pay low prices for acceptable quality) and others want high quality and are willing to pay anything to get it. Also, 40% of the respondents stated that they priced too low that result to low profit and 20% of the respondent said that price is too high that customers can't afford it and price of one of their product can impact sales of other products. One (20%) of the respondent stated that one of their problems that affect their pricing is the orientation of customers on the price of one product to be stable/steady all throughout and without



considering the quality and demand of the product which is changing and that customers just say that the price is always the same/alike.

Place and distribution strategies. Majority (80%) of the respondents encountered limited channels of distribution. Twenty percent of the respondents have a problem on the distance of production and market site that it takes many hours or days before it reaches the customers and by that there are tendencies for the product to be damaged during the transportation.

Promotion strategies. All (100%) of the respondents stated that they have limited knowledge on promotional strategies. Twenty percent of the respondents do not have enough resources to be used for the promotional strategies of their product.

Table 9. Problems encountered

PARTICULARS	FREQUENCY	PERCENTAGE
Product strategy		
Limited production cost	2	40%
Lack of raw materials to be used	5	100%
Financial support is not enough	2	40%
*Multiple response		
Price strategy		
Price is too high that customers cannot afford to buy it	1	20%
Price is too low that result to low profit	2	40%
Price of one product can impact sales of other products	1	20%
Buyers preferential differences	3	60%
*Multiple response		



Table 9. Continued. . .

PARTICULARS	FREQUENCY	PERCENTAGE
Place strategy		
Limited channel of distribution	4	80%
Far distribution channels	1	20%
TOTAL		
Promotion strategy		
Not enough resources	1	20%
Limited knowledge on promotional strategies	5	100%
Product development	1	20%
*Multiple response		



SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

This study was conducted in the five selected cooperatives in Atok, Benguet. It was conducted to determine the businesses of cooperatives; to identify the marketing strategies of cooperatives in terms of product, price, place and promotion; to determine the cooperatives' marketing strategies which are successful and sustainable and to identify problems encountered by each cooperative in adopting such strategies

Five management staff and officers (2 chairman and 3 managers) were the key respondents of the study. A structured questionnaire was employed and personal interview using the guide questionnaires to gather the needed information and data that were tabulated analyzed and interpreted using tables and descriptive method like frequency and percentage analysis.

The results revealed that though some of the cooperatives are registered as multi-purpose it operates as a consumer type. They offered goods/services which are more on farm supplies like pesticides, fertilizers; credit and financing (consumers' goods, appliances); and marketing (member products, coop products).

The finding showed that the marketing strategies adopted and being used by the respondents. In terms of product strategies, the respondents have the same target markets, farmers, professionals, students, and some tourist and passers-by. Their product value is to meet customers' needs and wants or customer satisfaction. Likewise in some ways or in some points to help lessen/make work easier specifically farming problems and household problems. As to the problems encountered in their product strategies, all the respondents



answered lack of raw materials and funds. They lack funds to improve and develop their product.

Also, in terms of pricing strategies, all the respondents priced their product based on production cost plus percentage mark-up having the main objective to satisfy customers. For one (20%) of the respondents is for greater return to investment. As to the strategies in pricing their product, they compare with other cooperative or to competitors. Two (40%) of respondents price their product same with their competitors, one (20%) respondent is through psychological pricing and one (20%) based on the demand of the product and 20% based on production cost plus percentage mark-up. With regards to the problems encountered in the pricing strategies, majority stated that it is buyers preferential differences where in most of their customers are value oriented (want to pay low prices for acceptable quality) and others want high quality and are willing to pay anything to get it.

Furthermore, in terms of place and distribution strategies, the finding showed that majority are located near the highway where it is more accessible and where the customers' traffic. As to the channels of distribution and right accessibility of distribution channels of the cooperatives, all respondents used direct customers and retailers and access through delivery and pick up. Only one (20%) of the respondent used wholesalers and access distribution channels through trucking aside from the strategy mentioned above. For the problems encountered by the respondents in the distribution, majority (80%) said they have limited channels of distribution and one (20%) of the respondent said their problem is far distance of production and market site.

The results shows that in terms of promotional strategies, all (100%) of the respondents promote their product through sales promotion which are plain product display



and some give aways like printed bags, t-shirt and hat. Under advertising only one (20%) of the respondent uses radio, tarpaulins in promoting their products and majority get the marketing message on occasions, festivals that influence the respondents to the innovation and development of their product. As to the problems encountered in promotional strategies all the respondents admitted that besides for not having enough resources, they also have limited knowledge on promotional strategies.

Successful and sustainable marketing strategies there are: trainings and seminars/programs, effective and efficient service offered by the cooperatives, cooperatives focused on common goods and wants; products offered by the cooperative have its own/patent that attracts customers to buy. In addition, consistent supply of the product (comparative advantage), social services (Ammoyong Death Aid) and lending services are what sustain the success of the respondents.

Conclusions

Based on the findings of this study, the followings were drawn:

1. Majority of the cooperatives, though registered as multi-purpose but operates consumer type and that each cooperative have its own product and services offered to the customers which are more on financing (consumer's goods, common goods) , marketing (coop product, member product), farm supplies, credit (provident loans);
2. In terms of pricing strategies, all the cooperatives price their product based on production cost plus percentage mark-up, having the main objective of satisfying customers and offering member and bulk discounting to attracts customers;



3. With regards to place strategies, majority of the cooperative are located near the highway where it is more accessible to target markets, to channels of distribution and having the right distribution channels through delivery pick up and trucking;

4. The cooperatives uses sales promotion which are plain product display and some give-ways in promoting their product and most of the cooperative get the marketing message during occasions and festivals like wedding, birthdays and parade during festivals wherein flowers are needed for floral arrangement and bouquet and wine for the celebration that influence them to innovate and develop their product;

5. Cooperatives' marketing strategies which are successful and sustainable are trainings and seminars/programs; effective and efficient service offered by the cooperative importantly the employees/staffs; focus of the cooperative is on common goods and wants; products offered have its own/patent brand that attracts customer to buy and for some is the consistent supply (comparative advantage) offered by the cooperative and social service (Ammoyong, death aid), lending services that help sustain the cooperative; and,

6. Problems encountered by the cooperatives are lack of raw materials to be used in terms of product strategies; buyers' preferential differences and price is too low that result to low profit for pricing strategies; limited and far distribution channels for place strategies and lack of knowledge on promotional strategies.

Recommendations

Based on the results of the study the following were recommended:

1. Cooperatives must continue in innovating and developing their product for the benefit of the members;



2. Cooperatives should seek the assistance of the union or federation for some financial support or assistance;
3. Cooperatives should set a price that complements the product, place, and promotion and must be aware of the customers' perceived value for the product;
4. The cooperatives must have pricing efficiency which is concerned with improving the operation of the buying, selling and pricing in order to remain responsive to consumers' needs and wants;
5. The cooperatives should look for alternative market outlets for the products specially the cut flowers, mukosako so that farmers could increase the volume of their production; and,
6. The cooperatives to tap and avail technical assistance by way of trainings and seminars regarding marketing strategies; product, price, place and especially promotion strategies and have continuous cooperative education and trainings to motivate members to patronize the cooperative.



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