

BIBLIOGRAPHY

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ABSTRACT

The study aimed to determine the level of satisfaction of members on the services offered by the Bahong Multi-Purpose Cooperative, in Bahong, La Trinidad, Benguet, There were 50 respondents of the study who were members of the cooperatives and are residing in Bahong, La Trinidad, Benguet.

Majority of the respondents were 26-35 years old, male, married, had college level education, Roman Catholic, have been member for 2-3 years in the cooperative and most are engaged in agricultural production.

Services offered by the cooperative which the respondents have evaluated are marketing services, water services and credit services. Credit services include production loan, regular loan, emergency loan, special commercial loan and salary loan.

The results showed that majority of the respondents were satisfied on the marketing services and water services. As to the five types of credit services, majority of the respondents were very much satisfied on the production loan, regular loan and emergency loan. On the special commercial loan and salary loan most of the respondents were satisfied.



Thus, it is recommended that services offered and the way the cooperative manage these services should be maintained/sustained and improve further especially in areas where some respondents were neutral and not satisfied so that members will continuously patronize the cooperative and its services because the life of cooperative is in the support of members by patronizing the services offered.



INTRODUCTION

Rationale

To be successful, a cooperative need at least to maintain its volume of member's transaction, with increased competitive prices. Improve services may mean expanding the range of services offered to members or improving the delivery of existing services.

Bahong Multipurpose Cooperative (BMPC) is the cooperative at Bahong La Trinidad Benguet and services to its members includes water, credit and marketing services. BMPC started September 1990, two months after the killer earthquake. The Department of Agriculture of La Trinidad and Land Bank of the Philippines-Benguet Field office assisted the farmers of Bahong in the organization of a cooperative. They conducted orientation, seminar and pre-membership seminar. There were forty-four (44) interested individuals who organized the BMPC with an initial capital of thirty thousand three hundred pesos (Php 30,300). All the initial members were residents of Barangay Bahong, La Trinidad, Benguet, an agriculture-based community engage in vegetable and cut flower production such as roses.

In February 6, 1991, the Cooperative Development Authority (CDA) approved the registration of the cooperative. The cooperative, with its office at Bahong Warehouse, (the warehouse was the first office of the cooperative) started its operation on credit services and retailing selected basic commodities such as rice, sugar and liquefied petroleum gas (LPG). At the time, Land Bank of the Philippines, field staffs assisted the members of cooperative to avail loans for farm inputs, vegetable and cut flowers production and hog fattening, which was approved and released at the same year in the amount of two hundred



eighty seven thousand two and eighty centavos (PhP 287,002.80), and an amount of seventy thousand pesos (P 70,000.00) for hog raising from Department of Agriculture.

In its one year of operation, the cooperative posted a net surplus of seventeen thousand six hundred ninety eighty pesos and fifty nine centavos (P 17, 698.59). Membership increased to eighty eight (88) with a total share capital of one hundred three thousand pesos (P133, 000.00) from members and savings deposit amounting eighty two thousand four hundred thirty nine pesos and twenty five Centavos (P 82,439.25).

After four years of operation, capitalization increased to three hundred forty three thousand fifty four pesos and ninety one centavos (P 343,154.91) with one hundred thirty one cooperative members. In 1995, a trial of cut-flower and vegetable marketing at Kalentong Manila was done by the BMPC and other cooperatives was initiated but failed due to minimal sales. During the General Assembly, it was then agreed that the marketing operation of the cooperatives shall be suspended, thus the marketing operation is being maintained by an association whose members were at the same time the members of the cooperative.

In line with the plan of the cooperative to venture on farm inputs and basic commodities, it has acquired a lot in July 1998 where the present cooperative office and cold storage was constructed. The cooperative has assisted farmer-members to access government programs. At present, most farmers are now engaged in cut flower production replacing their vegetable farming. Rose cut flower is now extensively cultivated in the Barangay, that the secretary of Agriculture Hon. William Dar (2000), after his visit to the area declared it as the rose capital of the Philippines.



In the year 2000, through the effort of the officers of the cooperative they were able to ask assistance to the Department of Labor and Employment (DOLE). DOLE conducted training for composting and granted fund amounting to six hundred thousand pesos (P 600,000.00) that was used for the construction of cold storage which is now being operated by the cooperative.

With these successful projects, assistance from government agencies and with the increasing numbers of members and capital, it shows that cooperative is growing and members like the services provided by the cooperative. Furthermore, this maybe a motivating factors for other to join the cooperative. Thus, this study intends to find out the level of satisfaction of members on the different services offered by the cooperative.

Importance of the Study

The findings of this study would provide information to the cooperative as basis for planning and improving services that would satisfy their members. Furthermore, this research can serve as a source of information to other cooperatives in improving their services and to researchers, student, as well as readers who will conduct the same study to other cooperative.

Statement of the Problem

The study aimed to answer, what is the level of satisfaction of members on the services of Bahong Multi Purpose Cooperative as to the following?

1. Marketing services
2. Water services
3. Credit services



- a. production loan
- b. regular loan
- c. emergency loan
- d. special commercial loan
- e. salary loan

Objectives of the Study

The objective of the study is to determine the level of satisfaction of members on the services of Bahong Multi Purpose Cooperative as to the following.

- 1. Marketing services
- 2. Water services
- 3. Credit services
 - a. production loan
 - b. regular loan
 - c. emergency loan
 - d. special commercial loan
 - e. salary loan

Scope and Limitation of the Study

The study mainly concentrated on the level of satisfaction on the services availed by the cooperative members.



REVIEW OF LITERATURE

Cooperative Defined

Cooperative is derived from the French word “cooperari” which means to work with. Cooperative therefore, is an organization of persons who have voluntarily joined together to achieve a lawful common social 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 cooperative principle. It is marked together and motivated by individual selfish end. Hence, the underlying motive behind this organization is services for members, who are the owners of the business to provide and satisfy their felt needs and desires (Garcia and Guanzon, 2004).

A cooperative is a private business organization that is owned and controlled by the people who used its product, supplies or services. Although cooperative vary in type and membership size, all were found to meet the specific objectives of members, and are structured to adapt to members changing needs. A cooperative is formed by individual who coordinate among themselves to achieve vertical integration in their business activities. Although people have been working together for mutual benefit throughout human history, cooperative as a form of business organization began during the industrial revolution. Cooperative was useful for promoting the interest of the less powerful members of society (Anonymous, 2008).

Level of Satisfaction

Goldman (2002) stated that satisfaction is an emotional, effective orientation towards ones work. More generally, job satisfaction can be defined in terms of the match



between what we want and what we actually receive. Anyone who is grossly mismatched is to feel unhappy and uncomfortable. Satisfaction is correlated positively with the extent to which reflects personal interest and promotes use of abilities.

Level of satisfaction, which can be a set of attitudes develop from work, is not only emotional but can also be informational and behavioral. It can vary in intensity and consistency, can be acquired from a variety of sources, and can serve a number of functions for the individual (Goldman, 2002).

Customer's Satisfaction

Customer's satisfaction is the degree to which customer expectations of a product or service are met or exceeded expectations. Corporate and individual customers may have widely differing reasons for purchasing a product or service and therefore any measurement of satisfaction will needed to be able to take into account such differences. The quality of after-sales service can also be a crucial factor in influencing any purchasing decision.

Customer's satisfaction is a measure of how products and services supplied by a company meet or surpass customer's expectation. In a competitive market place where businesses compete for customers, customers satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy (Scott, 2006).

Measuring Customer Satisfaction

Organization need to retain existing customers while targeting non-customers. Measuring customer satisfaction provides an indication of how successful the organization is at providing product or services to the market place.



Customer satisfaction is an abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and service to service. The state of satisfaction depends on a number of both psychological and physical variables which correlates with satisfaction behaviors such as return and recommended rate. The level of satisfaction can also vary depending on other factors of the customers, such as other products against which the customer can compare the organization's product (Kessler, 2003).

Services

Services as defined by the Webster new world dictionary is an act of serving, the manner in which one is serve, and at ones service means ready to do what one wants, and duty required or performed in any office, spiritual and obedience. Services also engage in transportation, insurance, housing, labor, communication, etc.

Service organization is one that does not deal with tangible products, but rather provides some sort of service as its major operation. Doctors, CPA's, lawyers and engineers are example of people who provide services instead of products. Cost of performing the service may include salaries of professionals and support personnel, supplies, purchase services, and routine such as rent and utilities. Internally, financial reports for service firms often separate revenues and expenses by type of service or customers (Cabrera *et al.*, 2009).

A public service cooperative, as stated from the Cooperative Code of the Philippines (RA, 6938) is one that is organize to render public service as authorized under a franchise or certificate of public convenience and necessity duly issued by the appropriate government agency. Furthermore, cooperative shall provide goods and services to its members and thus enable them to increase their income and savings, investment, productivity and purchasing



power and promote among them equitable distribution of net surplus through maximum utilization of economic of scale, cost sharing and risk taking.

Cooperative is organized in accordance with economic needs of members. A cooperative must provide services, which are not available in the vicinity, improve those supplies that already existing in other enterprises. Cooperative is an act of give and take by its members. It is an organization of people with common goal to attain the burden and privilege base from equal investment (Baglao, 2002).

The philosophy of cooperative has been stated in different ways and words, depending on the orientation and level of understanding of the one making such definitions. But one common thread ties all these and it is the fundamental idea that cooperative are for SERVICE not PROFIT.

According to Bahong Multi Purpose cooperative, they offer the different services to its members;

- a. Marketing services – the act or process of buying and selling in a market, the commercial functions involved in transferring goods from producer to consumer.
- b. Water services – the source and delivery system of such water, available for a community.
- c. Credit services – a cooperative organization that makes loans to its members at low interest rates.

Production loan- loans granted for ornamental production, vegetable production and live stock raising.

Regular loan- for productive or provident purposes.



Emergency loan- loans provided to members for health, tuition fees and other urgent financial needs.

Special commercial loan- loans provided for small scale like sari-sari store.

Salary loan- salary loan patterned after SSS and GSIS salary scheme granted to cooperative employee and salaried member of the cooperative working in any government or private institutions.

Membership

Members of cooperative may be either natural or juridical persons depending on the kinds of cooperative. In primary cooperative only a natural person who is a citizen of the Philippines is eligible for membership, while in secondary or tertiary cooperatives members may be either cooperative or non-profit organization with juridical personality (Aquino, 1991).

Members of cooperative must individually contribute a certain amount known as the share capital, as requirement of the organization of a cooperative. The law states that at least 25% of the authorized share capital should be subscribed and at least 25% of the subscription should be paid.

In addition, Onagan (1973) stated that cooperative is a dynamic form of business enterprise that embodies the philosophy of cooperation. It states that through voluntary action of people to form themselves into a group for the promotion of their common needs by mutual action, democratic control and sharing of economic benefits on the basis of patronage by members.



Some duties and responsibilities of members are classified;

1. Pay his/her share capital regularly as pledge in the membership agreement.
2. Deposits regularly as contribution to capital build-up of the cooperative.
3. Participates in all cooperative activities, like fund raising, cooperative month.
4. Participates in decision-making through the general assembly and other membership meeting.
5. Patronize the cooperative business like the cooperative store.
6. Votes for the officials of choice to run the cooperative.
7. Runs in any cooperative elective position if qualified.

As the cooperative member, therefore, plays dual role: one is owner and customer at the same time. This is the principle of identity, which makes the membership in the cooperative unique. An owner is one who provides capital to the cooperative to enable it to operate and undertake the services needed by one and other members. The more contribution they make, the better is the cooperative capability to undertake those services. This is in accordance with the self-help idea which puts the main responsibility for the organization in the shoulders of the owner-members and not on somebody else.

The members provide basic foundation for the effective management of the cooperative and to be ever alert and vigilant on possible problems and weaknesses in the servicing of their needs for the purpose of upgrading management efficiency.

Members' Benefit

Benefits from cooperative are difficult to measure since some are tangible or direct as in the case of net margins in savings, while others are intangible or indirect such as some economic and social benefits (Leung, 1993).



The members derive benefits from the cooperative in various ways such as:

- a. Cooperatives members develop that the habit of thrift and savings.
- b. The cooperatives serve as the training ground for members in simple business operation, democratic leadership and responsible citizenship.
- c. The cooperative offers opportunities to its members to progress by means of the benefit it provides.

Members who do not patronize the services of the cooperative are not entitled to have patronage but only entitled to their share capital invested in the cooperative.



METHODOLOGY

Locale and Time of the Study

This study was conducted with the members of Bahong Multi Purpose Cooperative (BMPC) residing in Bahong, La Trinidad, Benguet from November to December 2010.

Respondents of the Study

The respondents of the study were the cooperative members. There were fifty respondents selected randomly from the members of the cooperative residing in Bahong La Trinidad, Benguet.

Data Gathering Procedure

The data were collected using a questionnaire, however the researcher guided the respondents in answering the questions and conducted discussions to ensure that instructions are fully understood.

Data Gathered

The data gathered includes the level of satisfaction and services availed by the members of the cooperative.

Data Analysis

All data gathered were classified, tabulated, and analyzed based on the objectives of the study. The data were analyzed using frequency analysis and mean rating.



RESULTS AND DISCUSSION

General Information about the Respondents

The general information about the respondents is shown in Table 1. This information includes the age, civil status, gender, educational attainment, religion, years of membership and occupation.

Age. The frequency of distribution of the respondents according to their age shows that 24% were 15-25 years old, 26% were 26-35 years old. 24% were 36-45 years old, 16% were 46-55 years old and 10% were 56-65 years old. This finding shows that more of the respondents were 26-35 years old.

Civil status. Thirty six percent were single, 46% were married, 6% were widowed and 12% separated. Result implies that more of the respondents/members of the cooperative were married.

Gender. Majority (56%) of the respondents were male and 46% were female. This implies that membership in cooperatives is more attractive to males.

Educational attainment. One half of the respondents were college level or college graduate, 38% are secondary level or high school graduate and 12% are elementary level or elementary graduate. This finding shows that the respondents have attended formal education.

Religion. Majority (78%) of the respondents were Roman Catholic and 22% were Wesleyan. The result shows that Roman Catholic is still the dominant religious entity in the area.

Years of membership. The cooperative started its operation in 1990 through the assistance of DA and Land Bank, but registration to CDA was approved in 1991, thus it is



already 21 years. Most of the respondents of this study were 2-5 years. On the distribution of respondents according to years in membership, 38% have been members for 2-3 years, 24% were members for 1-2 years, 22% were members for 6 years and more, 12% had been members for 3 – 4 years and 6% were members for 4-5 years. Results shows most of the respondents were still young in terms of membership in the cooperative which is already 21 years old.

Occupation. Majority of the respondents are farmers, and are mostly in cutflower production of chrysanthemum and roses, 14% were government employees, 4% are employed in private firms and there were 9% who are students. Though these respondents were employed and some were students, they are also involved in cutflower production.

Table 1. General profile of the respondents

PARTICULAR	FREQUENCY	PERCENTAGE
Age (years)		
15 – 25	12	24
26 – 35	13	26
36 – 45	12	24
46 – 55	8	16
56 – 65	5	10
TOTAL	50	100
Civil Status		
Single	18	36
Married	23	46
Widow	3	6
Separated	6	12
TOTAL	50	100



Table 1. continued...

PARTICULAR	FREQUENCY	PERCENTAGE
Gender		
Female	23	46
Male	27	56
TOTAL	50	100
Educational attainment		
Elementary	6	12
Secondary	19	38
College	25	50
TOTAL	50	100
Religion		
Roman Catholic	39	78
Wesleyan	11	22
TOTAL	50	100
Years of membership		
1 – 2	12	24
2 – 3	18	36
3 – 4	6	12
4 – 5	3	6
5 and above	11	22
TOTAL	50	100
Occupation		
Farming	31	62
Businessman	1	2
Government employee	7	14
Private employee	2	4
Student	9	18
TOTAL	50	100



Evaluation of Respondents on BMPCs Services

Table 2 - 8 present the evaluation of member respondents on the different services provided by the cooperative. The services evaluated are; the marketing services, water services and the different types of credit services such as, Production Loan, Regular Loan, Emergency Loan, special Commercial Loan and Salary Loan.

Evaluation on Marketing Services

This section presents the criteria used in the evaluation and respondents' evaluation on the marketing services provided by the cooperative. Criteria were the price given to the product, volume marketed, market location, delivery convenience, frequency of marketing and marketing schedule. There were only thirty five out of the fifty respondents who evaluated the marketing services. These respondents have availed the marketing services of the cooperative.

Price of the product. Sixteen of the thirty five respondents rated price of products as satisfied and 14 rated with very much satisfied. The price is set by the buyer based on the prevailing market price in Dimasalang, Manila. There were four respondents who were not satisfied on the price given by cooperative on the price of his product. One respondent was neutral which he may be satisfied or not satisfied. Maybe the reason for not satisfied or being neutral is that a certain percentage of the price goes to the cooperative also to cover some marketing expenses. The mean rating given on the price of the product was 1.86 which means the respondents were very much satisfied on the price given to the products.

Volume marketed. All outflowes delivered by members is taken by the cooperative as long as good quality and not rejects or damaged. Fifteen of the respondents were very much



satisfied on the volume of products purchased or accepted by the cooperative to be marketed. Nine were satisfied, however there 10 who were not sure if they are satisfied or not thus were neutral about the volume marketed to the cooperative. There was one respondent who was not satisfied. The reason is that some of the members had experience a poor harvest, thus some of the product delivered were not accepted by the cooperative since good quality of products is also required. The mean rating was 1.91 which means that respondents were very much satisfied on the volume marketed.

Location. The delivery area was the cooperative, because they have cold storage facilities, but these are not utilized because the flowers were delivered every day to the Dimasalang market in Manila. Ten of the respondents rated the location of delivery area with very much satisfied, nine rated with satisfied and ten were neutral which means they may be satisfied or not satisfied. Two were not satisfied on the location of the delivery area. This is because their farm/area is far to the designated delivery area. There were 10 respondents who rated the location of market or delivery with neutral. Neutral because they the place is small that is there are many members to deliver their produce, place is not enough. On the overall, the mean rating is 2.11 which mean that respondents still were satisfied on the location of delivery area.

Delivery convenience. The cooperative has its own vehicle for delivery of product to the market. As to delivery convenience, twelve rated is as very much satisfied, eleven were neutral and ten were very satisfied. Two were not satisfied which means they are not at ease with the delivery. The reason for this is the earliness of the delivery time. The delivery time is early in the morning, because the delivery time of the truck to Dimasalang is from 9 –10 AM in the morning or sometimes even earlier. Thus, the farmer/member should



bring the product earlier before 8 AM. Mean rating was 2.09 which means respondents were satisfied on the delivery convenience criteria.

Frequency of marketing. Marketing of products by the cooperative is daily except Sunday as long as there are products delivered by members. Fifteen of the respondents rated with satisfied, nine rated with very much satisfied, five were neutral and six were not satisfied on the frequency of marketing. The overall mean rating is 2.23 which mean that still most of the respondents were satisfied on the frequency of marketing done by the cooperative.

Marketing schedule. Marketing of flowers by the cooperative is daily except Sunday, so members will just deliver their products to the cooperative. Twelve of the respondents were satisfied on the marketing schedule of the cooperative, ten were very much satisfied and five were neutral. There were eight of the respondents who were not satisfied on the marketing schedule of the cooperative. Delivery time is early morning to catch the truck going to Dimasalang at 9-10 AM. This maybe the reason for the respondents who rated this service as not satisfied. The members should put their product to the cooperative early in the morning and so the cooperative will deliver their product to the market or sometimes the truck will collect the product from the cooperative. Mean rating was 2.31 which implies that the respondents were still satisfied on the marketing schedule of the cooperative.

Result implies that all respondents were satisfied on all the marketing services of the cooperative.



Table 2. Respondents' evaluation on the marketing services

PARTICULAR	RATING				MEAN RATING	DESCRIPTION
	1	2	3	4		
Price of products	14	16	1	4	1.86	Very much satisfied
Volume marketed	15	9	10	1	1.91	Very much satisfied
Location of market or delivery area	10	13	10	2	2.11	Satisfied
Delivery convenience	12	10	11	2	2.09	Satisfied
Frequency of marketing/ or delivery	9	15	5	6	2.23	Satisfied
Marketing schedule	10	12	5	8	2.31	Satisfied

Legend: 1 – very much satisfied < 1.0 - 1,99
 2 – satisfied 2.0 – 2.5
 3 – neutral 2.6 – 3.0
 4 – not satisfied 3.1 – 4.0

Evaluation on the Water Service

One of the project or service provided by the cooperative is the supply potable and purified drinking water to members and even to non-members. The respondents rated the water service as to the quality of water (clean and chlorinated water), availability, time/promptness of delivery, volume of water delivered and the price they pay to the cooperative for water service. All the fifty respondents evaluated the water service, which means that all the respondents availed of the water service provided by the cooperative.

Quality of water. Twenty four of the respondents were satisfied on the quality of water which means the water is clean and chlorinated, twenty one were very much satisfied,



three respondents were neutral and two were not satisfied. On the overall mean rating, most of the respondents were very much satisfied with a rating of 1.72.

Availability. Nineteen of the respondents were very much satisfied and eighteen were satisfied on the availability of water which may mean that water is always available because delivery is daily and members could even pick-up especially the drinking water in the cooperative. However, there were seven respondents who were not satisfied on the availability of water, and six were neutral. The seven respondents were not satisfied because sometimes delivery is late. The mean rating was 2.02 which mean that the respondents were satisfied on the availability of water provided.

Time/promptness of delivery. Twenty of the respondents were satisfied on the time and promptness of delivery, 16 were very much satisfied, ten were neutral and 4 were not satisfied. Mean rating was 2.04 which imply that the respondents were satisfied on the time and promptness of water delivery.

Volume of water delivered. Eighteen of the respondents were very much satisfied and sixteen were satisfied on the volume of water delivered by the cooperative water service. Ten of the respondents were neutral and 6 were not satisfied. Some of the respondents were not satisfied of the volume because they are so man in their house so the water is not enough and some of the members share their water to their neighbours who are not member of the cooperative. The mean evaluation rating is 2.08 which imply that the respondents were satisfied on the volume of water delivered by the cooperative.

Price of water. As to the price of water imposed to them by the cooperative, twenty four of the respondents were very much satisfied on the price of water, twenty one were satisfied, three were neutral and two were not satisfied. Members have special price on the



drinking water, for members pick-up price is P17.00 for the 5 galloon bottle and for associate member is P20.00. For potable water, price is P270 per tank or 10 cubic meter. The price of the cooperative is lower as compared to drinking water stations at 25 to 35 pesos per five galloons pick-up price. The cooperative also deliver drinking water with a minimum quantity is 82 galloon. Mean rating was 1.66 which imply that the respondents were very much satisfied on the price they pay for the water.

Though there were respondents who are not satisfied with the water services of the cooperative, overall, result implies that the respondents were satisfied on the water service provided by the cooperative to members.

Table 3. Respondents' evaluation on the water services

PARTICULAR	RATING				MEAN RATING	DESCRIPTION
	1	2	3	4		
Quality of water	21	24	3	2	1.72	Very much satisfied
Availability	19	18	6	7	2.02	Satisfied
Time/promptness of delivery	16	20	10	4	2.04	Satisfied
Volume of water delivered	18	16	10	6	2.08	Satisfied
Price	24	21	3	2	1.66	Very much satisfied

Legend: 1 – very much satisfied – <1.0 – 1.99
 2 – satisfied 2.0 – 2.5
 3 – neutral 2.6 – 3.0
 4 – not satisfied 3.1 – 4.0



Evaluation on the Different Credit Services

There were five types of credit provided by the cooperative. These credit services include; production loan, regular loan, emergency loan, special commercial loan and salary loan for those members who are employed.

Production loan. Production loan are loans provided to members for agricultural production /farm business activities. There were only 30 out of the fifty respondents who have availed of the production loan. As to the interest a greater number of the respondent rated the interest on production loan as very much satisfied (14 respondents) and satisfied (12 respondents) which imply that the interest imposed by the cooperative on production loan is acceptable. The interest is low (16% per annum) as compared to other lending institution and banks like Rural banks. There were three respondents who were neutral on the interest imposed by the cooperative on production loan and one respondents is not satisfied. On the mean rating, result was 1,70 which mean the respondents were very much satisfied on the interest on production loan or interest imposed is acceptable to the members.

Time of release for loan is one week after application of the borrower. A greater number were very much satisfied and very satisfied on the time of release of loan. This implies that the release was just on time for the need in the production activity. This is also due to the short period which is only one week. On the mean rating (1.93) the respondents were very much satisfied on the time of release of their production loan.

On the amount of loan to be approved depended on the capacity and appraisal of the collateral of the borrower. The loan ceiling for production loan is P150,000. There were 5 respondents who are neutral and 3 are not satisfied. This is because loan is not enough for them to use in farm production especially when their farm is large. On the



overall mean evaluation rating of members on the amount of loan is 2.03 which implies that they are satisfied.

The duration of payment for production loan is 180 days enough for 2 cropping period. With this short duration of payment, still there were 13 respondents who rated the duration as very much satisfied and 10 rated with satisfied which means that within 180 days the borrower could already pay their loan to the cooperative. However, there were two who are not satisfied because for them the 180 days is not enough for them to pay their loan, especially if there are typhoons or weather disturbances that destroyed their crops. Thus, in order to recover, they need another cropping period, probable another year.

On the application of loan and loan requirement, despite of the requirement still and greater number of respondents rated the cooperative with very much satisfied to satisfied. Though, there were 2 respondents who are not satisfied with the loan application and requirements. In application, a borrower will fill-up application form. Requirements is a as collateral which are original land titles, tax receipt (current year), real tax certificate or original OR (official receipt) and CR (certificate of registration) of the vehicle if vehicle is used as collateral. Problem of some members is that they do not have something as collateral, sometimes they have land but it is titled so they are not allowed to borrow a bigger amount. Overall mean rating is 1.77 for application of loan which implies that the respondents are very much satisfied and for loan requirement is 1,90 which means that the respondents are satisfied.

On the overall aspects, result implies that the members are satisfied on the production loan provided by the cooperative.

Table 4. Evaluation on the production loan by the respondents



PARTICULAR	RATING				MEAN RATING	DESCRIPTION
	1	2	3	4		
Interest	14	12	3	1	1.70	Very much satisfied
Time of release	11	13	3	3	1.93	Very much satisfied
Amount of loan	10	12	5	3	2.03	Satisfied
Duration of payment	13	10	5	2	1.87	Very much satisfied
Application of loan	14	11	3	2	1.77	Very much satisfied
Loan requirement	10	15	3	2	1.90	Very much satisfied

Legend: 1 – very much satisfied – 1.0 - 1.99

2 – very satisfied 2.0 – 2.5

3 – neutral 2.6 – 3.0

4 – not satisfied 3.1 – 4.0

Regular loan. For the regular loan, the interest is lower (as compared to production loan) at 13% per annum, time of release is the same with production loan which is one week after application and also the same on duration at 180 days. Amount of loan granted is twice of his/her capital share with a loan ceiling of P50,000. In application, the member will fill-up application form and requirements are; must be a member of the cooperative and have a capital share. On the evaluation on interest and time of release, most of the respondents rated it with very much satisfied, although there were some who are neutral and one is not satisfied. On the amount of loan, the respondents were very much satisfied to satisfied. However, there 5 who are neutral and 2 not satisfied, this is so because the cooperative imposed a loan ceiling so even if they would like to loan a higher amount because they have a higher amount of capital share, they cannot avail because of the loan ceiling. With all these requirements, a greater number of respondents rated services of the cooperative on regular loan as very much satisfied to satisfied.

Table 5. Evaluation of respondents on regular loan



PARTICULAR	RATING				MEAN RATING	DESCRIPTION	
	1	2	3	4			
Interest	19	13	4	1	1.65	Very satisfied	much
Time of release	17	18	1	1	1.62	Very satisfied	much
Amount of loan	16	14	5	2	1.81	Very satisfied	much
Duration of payment	13	12	9	3	2.05	Satisfied	
Application of loan	8	9	8	2	1.84	Very satisfied	much
Loan requirement	17	15	3	2	1.73	Very satisfied	much

Legend: 1 – very much satisfied – 1.0 - 1,5
2 – very satisfied 1.6 – 2.5
3 – neutral 2.6 – 3.0
4 – not satisfied 3.1 – 4.0

Emergency loan. Only forty four of the fifty respondents evaluated the cooperative service on emergency loan. These respondents have availed of the emergency loan. Emergency loan is a short-term loan (30 days or 1 month) provided to members of the cooperative. The interest is 1% per month equivalent to 12% per annum but this type of loan should not reach one year. On the evaluation of respondents on the interest, a greater number of the respondents (16 and 19) gave a rating as very much satisfied and satisfied rating respectively. There were 7 respondents who were neutral on the interest and two were not satisfied, this is because 1% interest for them is still high for the short term duration. The time of release for emergency loan is upon submission of application form and the respondents evaluated this aspect as very much satisfied (20 respondents) and



satisfied (19 respondents). But there were 4 who are neutral and 1 is not satisfied. The mean rating is 1.68 which implies that respondents are very much satisfied.

The amount of loan for emergency loan is low from P1,000 to a maximum of P3,000, payable within 30 days. The respondents rated the amount of loan as satisfied (15 respondents) and very much satisfied (18 respondents). However, there were 8 that are neutral and 3 are not satisfied, this is because according to them the amount is low if it is used as emergency for medical purpose then with the high price of medicines and other items then P3,000 is not enough. On the mean rating (1.91), it shows that the respondents are very much satisfied .

On the duration of payment of payments, 15 of the respondents gave a rating of 2 which means they are satisfied, and 14 are very much satisfied, a significant number (13) had rated the cooperative with 3 or neutral and 2 are not satisfied. According to these respondents, the period of 30 days is too short for them to pay the loan. Overall mean rating was 2.07 which imply that the respondents were satisfied on the duration of emergency loan.

On the application of loan, 17 respondents rated the cooperative with 2 which means they are satisfied and 15 rated with very much satisfied, 8 were neutral and 4 were not satisfied. The borrower will submit filled-up application form and requirement and valid identification (ID) card and must be a member of the cooperative. Though there were 4 respondents who were not satisfied on loan application and requirements. This is because of the valid ID card requirements before they can file or get a loan. The management is not satisfied on the membership. Some members have not ID especially that they are not employed in any agency, thus, the cooperative should issue an ID to the members and this



will be used by the members in transacting with the cooperative. The mean rating shows that the respondents were satisfied on loan application and loan requirements.

On the overall, the respondents were very much satisfied on the interest, time of release and amount of loan granted, and satisfied on the duration of payment, application of loan and loan requirements.

Table 6. Evaluation of respondents on emergency loan

PARTICULAR	RATING				MEAN RATING	DESCRIPTION
	1	2	3	4		
Interest	16	19	7	2	1.89	Very much satisfied
Time of release	20	19	4	1	1.68	Very much satisfied
Amount of loan	18	15	8	3	1.91	Very much satisfied
Duration of payment	14	15	13	2	2.07	Satisfied
Application of loan	15	17	8	4	2.02	Satisfied
Loan requirement	13	16	11	4	2.14	Satisfied

Legend: 1 – very much satisfied – 1.0 - 1.99
 2 –satisfied 2.0 – 2.5
 3 – neutral 2.6 – 3.0
 4 – not satisfied 3.5 – 4.0

Special commercial loan. Special commercial loan is a loan provided to members who are into business. Of the fifty respondents, only thirty eight evaluated this service because they have availed of the loan. The interest imposed on this type of loan is the highest among the 5 types of loan. The interest is 24% per annum, payable within 180



days equivalent to 25 weeks and payment is weekly. Time of release is one week after application, and loan ceiling is P25,000. Since, this loan is intended for business use, one of the requirements is a business permit and a member of the cooperative.

On the evaluation on interest rate, as shown in Table 7 respondents rated very much satisfied for the interest and loan requirements with a mean rating of 1.87 and 1.82 respectively. However, there were seven who are neutral on the interest and 2 were not satisfied, they think that the 24% is too high. Loan the loan requirement, there is a significant of respondents (11) who were neutral and 4 were not satisfied, this is because of the business permit, that if their business is small (informal one like a fishball or barbeque stand), they usually do not get business permit. As to the time of release, a greater number (14) rated the cooperative on this type of service with 2 which means they are satisfied and 10 respondents were very satisfied. On the other hand a significant number (11) of the respondents were neutral and 3 were not satisfied because the one week after application release of loan is too long for them to wait for the cash they need in business. Overall mean rating of 2.18 implies that the respondents were satisfied on the commercial loan service of the cooperative. On the amount of loan, duration, and application of loan, respondents were satisfied. There were 4 who were not satisfied because P25,000 is not enough to purchase needs and the 180 days is not enough for them to pay their loan especially if the business is small like the sari-sari store.



Table 7. Evaluation of respondents on special commercial loan

PARTICULAR	RATING				MEAN RATING	DESCRIPTION
	1	2	3	4		
Interest	16	13	7	2	1.87	Very much satisfied
Time of release	10	14	11	3	2.18	Satisfied
Amount of loan	10	14	10	4	2.21	Satisfied
Duration of payment	10	13	11	4	2.24	Satisfied
Application of loan	15	17	8	4	2.03	Satisfied
Loan requirement	13	16	11	4	1.82	Very much satisfied

Legend: 1 – very much satisfied – 1.0 – 1.99
 2 – satisfied 2.0 – 2.5
 3 – neutral 2.6 – 3.0
 4 – not satisfied 3.5 – 4.0

Salary loan, Ten of the respondents have evaluated this type of loan service. These ten were the respondents who are employed in government and private agencies. The interest on salary loan is 14% per annum, time of release is one week upon application, amount of loan is thrice (3) the monthly salary of the borrower and duration is 2 years paid through salary deduction. Borrowers are required to fill-up application form, should be a member of the cooperative, certificate of employment and statement of salary or pay slip.

As shown in Table 8, with regards to the interest, results shows that the respondents were satisfied though there is one who is not satisfied with 14% interest per annum. On the time of release, duration of loan and application of loan were rated as satisfied. One week after application release of loan is too long for them especially if they need the money very badly. According to some respondents the two year payment period is not enough for them



to pay their loan because the shorter the period to pay the higher deductions which also affects their budgeting of household needs. On the amount of loan and loan requirements, the rating of respondents was very much satisfied.

Result implies that as to the salary loan the members who have availed are satisfied on this type of credit service provided by the cooperative.

Table 8. Evaluation of respondents on salary loan

PARTICULAR	RATING				MEAN RATING	DESCRIPTION
	1	2	3	4		
Interest	4	3	2	1	2.0	Satisfied
Time of release	3	2	4	1	2.30	Satisfied
Amount of loan	5	3	1	1	1.80	Very much satisfied
Duration of payment	4	2	3	1	2.10	Satisfied
Application of loan	3	3	2	2	2.30	Satisfied
Loan requirement	5	2	2	1	1.90	Very much satisfied

Legend: 1 – very much satisfied – 1.0 - 1.99

2 – satisfied 2.0 – 2.5

3 – neutral 2.6 – 3.0

4 – not satisfied 3.5 – 4.0



SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

This research was conducted to determine the level of satisfaction of members on the services of Bahong Multi-Purpose Cooperative (BMPC).

Respondents were fifty members of the cooperative. Data was collected with the use of survey questionnaire and analyzed using frequency analysis. Majority of the respondents were 26-35 years old, male, married, college level or graduate, Roman Catholic, have been member in the cooperative for 5 years and more and mostly are engaged in farming.

The respondents evaluated the services, especially these services they have availed. Thirty five of the respondents who have availed of the marketing services evaluated this service provided by the cooperative. The respondents evaluated the price of the product, volume marketed, location, delivery convenience, frequency of marketing/delivery, and marketing schedule. Most the respondents rated marketing services as very satisfied.

On the water services from potable to purified drinking water, the respondents were very satisfied on the quality of water delivered, availability of water, time/promptness of delivery, volume of water delivered and the price of water.

The respondents evaluated the different types of credit services provided by the cooperatives which are the production loan for those engaged in agricultural production, regular loan, emergency loan, special commercial loan for those engaged in business and salary loan for members who are employed in government and private organization. Interest of the loan, time of release, amount of loan, duration of payment, application loan and loan requirements were the factors evaluated by the respondents. The interest for the



loan were low as compared to other lending institutions, like Rural and Commercial Banks. Interest ranges from 12% to 24% per annum. Special commercial loan has the highest interest and mode of payment is weekly for 25 weeks. Lowest interest is imposed on the emergency loan at 1% per month and duration is 30 days. Time of release is one week after application and amount of loan depends on the capacity of borrower though there are loan ceilings for every type of loan. Loan requirement are should be a member of the cooperative, have capital share, and for bigger amount should have collateral and employed for salary loan. In all these aspects/factors, the respondents were very satisfied with the credit services of the cooperative.

Conclusions

Based on the results, the following conclusions are drawn:

1. Majority of the respondents belonged to the age ranged of 26 – 35 years old and married. They were all engaged in farm production.
2. As to the water services, almost all the respondents availed this service of the cooperative..
3. On the evaluation results provided by the respondents, majority were satisfied on the marketing services and water services. On the 5 types of credit, most of them were very much satisfied on the production loan, regular loan and emergency loan. Respondents were satisfied on the special commercial loan and salary loan.



Recommendations

The services offered and the way the cooperative manage these services should be maintained/sustained and improve further especially in areas where some respondents were neutral and not satisfied so that members will continuously patronize the cooperative and its services because the life of cooperative is in the support of members by patronizing the services offered.

On the marketing services improvement can still be done on the location or delivery area and space so that they have space when they deliver their products all at the same time. On water services improve service on the availability, time and promptness of delivery and exact volume of water delivered (if 10 cubic meter then it should be exact) and reduce the minimum quantity of 82 gallons per delivery for drinking water. Improvement on the areas of the loan services where a significant number of respondents were not satisfied.



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