

BIBLIOGRAPHY

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ABSTRACT

The study was conducted to determine the potential of organizing consumers' cooperative in Aliaga, Bambang, Nueva Vizcaya. It aimed to determine the socio-economic profile of respondents, perception of people about consumers' cooperative and their willingness to support the organization of a consumers' cooperative.

The respondents were one hundred thirty household from the area of study. Survey questionnaire was used in gathering data. Personal interview and focus group discussion was done to some respondents. Data gathered was analyzed using percentage and frequency counts.

The study found out that majority of respondents' ages ranges from 26 to 45, female, married, and attended formal education. Most respondents were farmers and house keeper and most have an income of Php 100,000 and below per year. Majority were member of an organization and association for 1-5 years. Some were officers of the organization.

The result shows that majority have good perceptions about the consumers' cooperative. The respondents mentioned that if the cooperative will push through, it will help the community in terms of financial assistance, provides the right kind, quality, quantity and price of merchandise and it can help individuals in terms of savings. Although, with this perception, most



mentioned that the success of cooperative if it will be established, will depend on the people who will manage this cooperative. Majority of them wants to join the said cooperative.

Most respondents often purchased rice, sugar, lard and other house hold needs. Majority were purchasing their needs in sari-sari store weekly or daily. This will depend on their budget. Even though most of the respondents were purchasing in sari-sari stores, this is not enough because some merchandise were not available.

Majority of the respondents mentioned that there can be qualified officers that can lead the cooperative. Their main reasons were that there are still people who could be trusted and honest. Furthermore, in case consumers cooperative will be organized, the respondents are willing to contribute a share capital and the amount will depend on the group discussion.

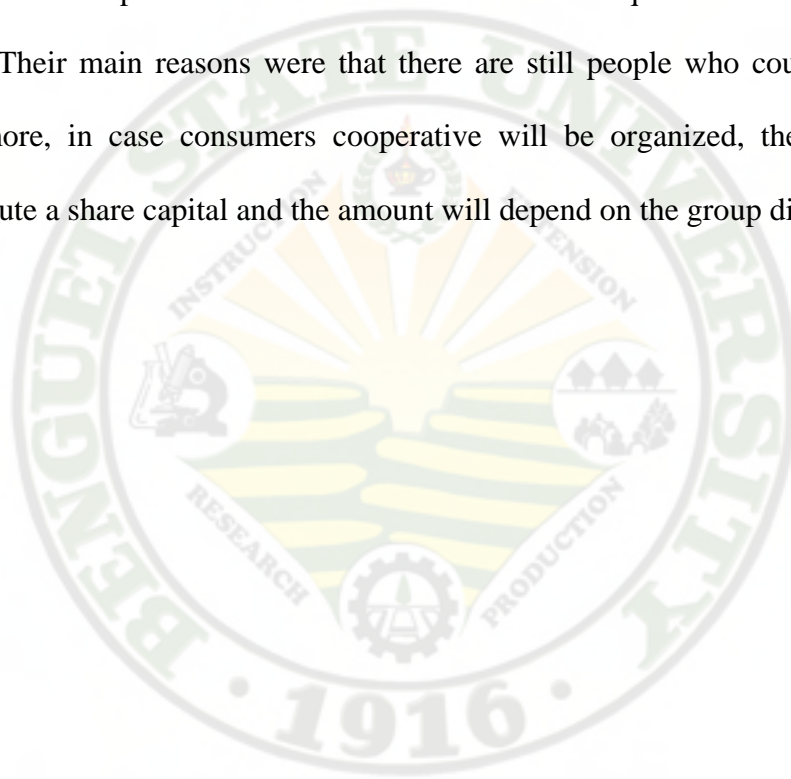


TABLE OF CONTENTS

	Page
Bibliography.....	i
Abstract.....	i
Table of Contents.....	v
INTRODUCTION	
Rationale.....	1
Importance of the Study.....	2
Statement of the Problem.....	2
Objectives of the Study.....	3
Scope and Delimitation of the Study.....	3
REVIEW OF LITERATURE	
Purpose of a Cooperative.....	4
Cooperatives and Community Development.....	4
Consumers' Cooperative Defined.....	5
Type of Consumers' Cooperative.....	5
How to Organize Cooperative.....	6
Why Organize a Cooperative?.....	8
Starting a Cooperative Store.....	9
The Rights of the Consumers.....	10
The Cooperation of Consumers.....	11
Common Bonds of Interest for Consumers' Cooperative.....	12
Objectives of Consumers Cooperative.....	14
Benefits in Joining a Consumers' Cooperative.....	16

Definition of Terms.....	16
METHODOLOGY	
Locale and Time of the Study.....	18
Respondents of the Study.....	18
Research Method.....	18
Data Gathered.....	18
Data Analysis.....	21
RESULTS AND DISCUSSION	
Transect Map at Aliaga, Bambang, Nueva, Vizcaya.....	22
Demographic Profile of Respondents.....	22
Perception of Respondents about Consumers' Cooperative.....	27
Potential of the Community about Establishing Consumers' Cooperative.....	29
Perception of Respondents to the Sari-Sari Stores.....	33
SUMMARY, CONCLUSIONS, RECOMMENDATIONS	
Summary.....	35
Conclusions.....	36
Recommendations.....	37
LITERATURE CITED.....	38
APPENDIX	
A. Letter to the Respondents.....	39
B. Survey Questionnaire.....	40

INTRODUCTION

Rationale

Cooperative are business enterprises formed by the spontaneous and voluntary action of consumers within a community, or office who have identical needs (Onaganet *al.*, 1973). Their association is motivated by the spirit of mutual service and mutual benefits through their mutual action. They achieved this by dedicating their enterprise to an unselfish struggle for an ultimate goal of economic sufficiency for all. Cooperative societies constitute the biggest type of all cooperative enterprises, at the same time the most fundamental and it involves all people, since all people are consumers.

The Philippine, like any other developing nation, has genuine desire to improve the well being of the less fortunate segment of the population. The creation and development of cooperative is a means of improving the income and the purchasing power of the poorer sector of the economy, generally the farmers and ultimately attain equitable distribution of wealth (Punzalan, 1981).

Bambang, Nueva Vizcaya is politically subdivided into 25 barangays. One of its barangay is Aliaga which was divided into 6 sitios/ “purok”.Barangay Aliaga has 582.79 hectares and rich in natural resources, one is the mountain for grazing purposes for animals and tree planting purposes and also a river for the extraction of sand and gravel.The distance of market place to the Aliagacenter is seven kilometers.

Barangay Aliaga has 1,610populations and 427 household. Aliaga is basically an agricultural barangay mostly are engage on farming activities. Income Generating Projects (IGP) assisted by the government like pig and cattle dispersal had been practice as an additional source of income, there are some also have passengers tricycle while



some depends on labor work as their livelihood. In Aliaga, sari-sari stores exist in per purok. Total of stores in this barangay are twenty but they have an inadequacy of merchandise and services, some also has poor services and high prices. This is because of lack of capital.

Bambang, Nueva Vizcaya have existing cooperatives who offered savings and credit services like Coop Bank, Tam-an Cooperative, and St. Catherine Cooperative. But for the consumers' cooperative, they have not fully organized specifically in Barangay Aliaga, Bambang, Nueva Vizcaya. Thus, the major concern of the study is to find out the potential of establishing consumers' cooperative in the area.

Importance of the Study

The outcome of the study could serve as a guide in a decision of establishing a consumers' cooperative in the study area. It would provide information as basis of decision. Since the community has no consumers' cooperative yet, this could help them minimize their marketing problems.

The researcher will gain essential knowledge about research and about organizing cooperatives. Results could also be a guide to students who will be conducting a study on the same field and interest.

Statement of the Problem

The study deals with the identification on the potential of organizing a consumers' cooperative specifically in Aliaga, Bambang, Nueva Vizcaya. The study therefore aimed to answer the following questions:

1. What is the socio-economic profile of the respondents?



2. What is the perception of people in that area about consumers' cooperative?
3. Is there a potential of organizing consumers' cooperative?

Objectives of the Study

The study aimed to:

1. determine the socio-economic profile of the respondents;
2. determine the perception of people about consumers' cooperative; and
3. determine the potential of establishing consumers' cooperative.

Scope and Delimitation of the Study

The main focus of the study was to analyze the potential of organizing consumers cooperative. The study deals on the perception of the residence about consumers' cooperative and the willingness of people to support the consumers' cooperative.



REVIEW OF LITERATURE

Purpose of a Cooperative

A cooperative may be organized with at least one purpose. The purpose defines the type of cooperative. Following are the types of cooperative as stated in the Art. 23 of the Cooperative Code of the Philippines: a) Credit Cooperative; b) Consumers Cooperative; c) Producers Cooperative; d) Marketing Cooperative; e) Service Cooperative; and f) Multi-purpose Cooperative.

Aside from the specific purpose for which a cooperative has been set up, it shall provide maximum economic benefits to its members, teach members efficient ways of doing things in a cooperative manner, propagate cooperative practices and new ideas in business and management, and allow the lower income groups to increase their ownership in the wealth of this nation (Garcia and Guanzon, 2004) as cited by Garcia (2008).

Cooperatives and Community Development

The word cooperative was derived from a French word “cooperari” which means to work together. This meaning has been expanded to convey the primary aims of the various types of objectives. In general, the common definition of a cooperative denotes a democratic and voluntary association of individuals with common bond of interests who joined together and pooled their resources in order to provide themselves with essential goods and services at cost. In comparison to the meaning of community development, the latter also means working together to attain a common objective. People in the community organize themselves under their own free will and work as a team to solve the



problems of their community, and thus create a more desirable place for them and their children.

The ultimate social objective of a cooperative is community building. This is the same with community development. Both use the principle of self-help and involvement in their methods of solving community problems. Moreover, both depend on cooperation and teamwork in attaining their goals. Cooperatives are primarily concerned with the development of human resources. The same is true with community development. Both consider man as the most important resource and factor of development (Fajardo and Abella, 1999).

Consumers' Cooperative Defined

It is a voluntary association of a group of persons (at least 15 members), with the common bond of interest, who agreed to pool their resources together to provide themselves with quality goods and services at reasonable prices. In the process of its business operations, the consumers' cooperative may make profits (or net savings as the more proper terms in cooperative parlance). These are equitably distributed to the cooperative members in the form of patronage refund and interest on capital. The essential commodities which are sold in a consumers' cooperative have lower prices because these are bought in bulk (Fajardo and Abella, 1999).

Type of Consumers' Cooperative

According to Onaganet *al.*(1973), one type of consumers' cooperative is commodity cooperatives. A commodity cooperative is primarily engaged in the procurement of essential merchandise to serve the needs of its members. It could take the



form of a general store, or a sari-sari store, in which all the essential needs of members may be purchased. The store acts as the purchasing agent of the members to acquire needed commodities of the right quality and price.

Consumers' cooperative stores may be organized in any community where the people are not adequately and satisfactorily served by existing profit enterprises.

How to Organize Cooperative

According to Fajardo and Abella (1999), organizers have to determine first the feasibility of establishing a cooperative in the community or institution. The following essential requirements should be surveyed:

1. Felt need. There must be a reason for organizing a cooperative. If the people need a cooperative for the solution of their problems, then it would be less difficult to organize one. Usually, a need for a cooperative arises if existing business organizations in the community are inefficient and abusive. Conditions, such as high interest rates, poor quality of goods and services, high prices, financial production, and marketing problems encourage the organization of cooperatives. People like to buy better goods and services at reasonable prices. On the other hand, producers want fair price for their products.

2. Volume of business. Sufficient volume of business is needed to pay the fixed and variable costs of operations, such as rentals and salaries of employees. The cooperative, therefore, has to attract more members and costumers to increase its volume of business. This can be done by improving the quality of its goods and services at reasonable prices.

3. Availability of qualified officers. Management constitutes the most important factor in the success of a cooperative. Men of integrity and honesty are the proper



individuals who should manage cooperatives. In many instances, there are qualified persons but they are not willing to serve in the cooperative. They would rather work in commercial and industrial firms where salaries and fringe benefits are much higher. At any rate, the Cooperative Authority has a management program for improving the competence of cooperative officers through trainings and education.

4. Adequacy of facilities. When starting a cooperative, it is not advisable to begin with a plush office and expensive facilities. Such manifestation of ostentation should not take place in a cooperative organization. As long as the available facilities are adequate to ensure the efficiency of the business operations of the cooperative, then it will be a good enough to start a cooperative.

5. Opportunities for growth. A cooperative has to be dynamic in order to be able to meet effectively changing needs and problems of its members and the community. It has to expand and diversify its business operations. Organizers must have good feasible plans for business expansion. A business organization has to survive and be successful for a long time and not for a brief and limited period.

6. Other requirements. A large number of residents who are willing to patronize the cooperative are needed. The solution in preparing them for membership in a cooperative is by first organizing them into semi-cooperative groups and organizations at the barrio-level. Given enough time, this measure is expected to fulfill the social requirements of the organization of barrio residents into a cooperative. Later, these groups and organizations can be brought into full-pledged cooperative at the multi-barrio or municipal level. This measure in turn measures that the economic requirements for the successful operation of a cooperative are adequately met.



Why Organize a Cooperative?

Anonymous (2008), cooperative is organized to improve community member's income or economic position or to provide a needed service. This may achieve through one or more of the following:

1. Marketing Activities

a. Improve bargaining power. Combining the volume of several members leverages their position when dealing with other businesses;

b. Reduce costs. Volume purchasing reduces the purchase price of needed supplies;

c. Earnings of the cooperative returned to individual members lower their costs;

d. Obtain market access or broaden market opportunities. Value is added to products by processing or offering larger quantities of an assured type and quality to attract more buyers;

e. Improve product or service quality-member satisfaction is built by adding value to products, competition the cooperative provides and improve facilities, equipment and services.

2. Purchasing Supplies/Services

a. Obtain products or services otherwise unavailable. Often provide services or products that would not attract other private businesses;

b. Reduce cost/Increase income. Reducing the cooperative's operating costs increases the amount of earnings available for distribution to members to boost their income.



Starting a Cooperative Store

Of all types, a cooperative store is the simplest and the easiest to organize. It does not require a big number of members, nor a big amount of capital to start. In order to enjoy immediately the benefits of cooperation, people have often organized on a humble beginning. With whatever amount of capital pooled by them, the society could start as a buying club. One or more articles of actual necessities may be purchased. The base of operation may be the house of a member-centrally located and equally accessible to all. Usually it is in the house of the manager or treasurer. Renting a store, no matter how small, could be dispensed with at the start.

Before joining, prospective members must have first a clear understanding on the part of the members of what a cooperative is, how it operates, and why is it organized. Then, they must be willing and able to participate intelligently, support the organization with their resources and assume the responsibilities of being members or officers. Also, a number of them must have at least some knowledge or experience in running the business and in making sound managerial decisions. All of these clearly point out that the prospective members must have certain skills and attitudes and must be capable of sustained cooperative behaviour, before they can be organized into a cooperative.

Members understand the handicaps they encounter at the start, but with resolve and determination, they are willing to forego the luxury of a well-planned and well-stocked store. Often, they take turn and contribute their services free. The manager and the treasurer usually serve without compensation at the start. As the business grows, a permanent store is eventually located at a place, equally accessible and convenient to all members.



The Rochdale store, from which is patterned the humble beginning of many consumers cooperative societies, started in an old warehouse, which was rented and repaired for the purpose, on a cooperative effort by the members. With the little amount left available for the purchase of merchandise, only five items were purchased-flour, oatmeal, butter, sugar and wax candles. Sales were made on evenings, after work hours, three days a week. Eventually, as the business grew and members increased in number, sales hours became a daily affair during the evenings. Later the members enjoyed a full day service the whole week from early morning to late evenings (Onaganet *al.*, 1973).

Originally, the financial requirement in organizing a cooperative was Php 25,000 and membership was 250. The value of one share of stock was Php 100. However, in view of the great difficulties of organizing cooperatives, the defunct Bureau of Cooperatives Development has reduced the financial requirement to at least Php 5,000 and membership of 25. At present, only 15 members or more natural persons who are Filipino citizens, of legal age, having a common bond of interest and are actually residing or working in the intended area of operation may organize a cooperative. The value of the shares of stock shall be determined by the members themselves (Fajardo and Abella, 1999).

The Rights of the Consumers

Modern marketing does not solely imply anymore the transfer of goods from the producers to the consumers. Its goal is to satisfy the consumers. However, in more ways than one, the consumers are not satisfied. Product pricing is usually not fair. Quality is not good. And essential goods often disappear in the market and then re-appear with higher prices.



The principal right of a consumer is to get his money's worth. However, the presences of exaggerated or incorrect information about the products and even deliberate deceptions have clearly violated the fundamental rights of consumers. For instance, slightly used home appliances are repainted and then sold as brand new products. Even lots that do not exist are being sold. Of course, consumers have the right to complain but this is only in theory. The complaints of poor consumers are not given much attention. Legal actions can be taken against the producers/sellers. But the high cost of litigation is enough to discourage a poor consumer to pursue his case.

Evidently, individual consumers cannot effectively protect their interests against the abuses of producers/sellers. It is only a large and efficient organizations that can possible minimize business malpractices. This is the government. It should be more sincere and determined in promoting the welfare of the consumers. Businessmen are afraid to abuse the consumers if they know the government does not tolerate their business malpractices. Another way of fighting business abuses is to form a large group of consumers which is to form a large group of consumers which is determined to protect the legitimate interests of the members (Fajardo and Abella, 1999).

The Cooperation of Consumers

Consumers represent the demand in the market while the producers/sellers constitute supply. The interaction between supply and demand forms the laws of the market. When the demand is greater than the supply, prices increase and when the supply is greater than demand, prices decrease. This takes place in a free market economy which means the government does not interfere in supply and demand of goods and services. Adam Smith believed that this is the best way to promote the interests of the consumers.



Through free competition, Smith (Father of Economics) claimed that better quality and lower prices of goods could be produced.

Unfortunately, the real market is not perfect. It does not operate like the theoretical framework of the classical economists headed by Smith. For instance, producers intentionally limit their supply in order to increase their price like what the OPEC countries have been doing.

A very effective way of protecting consumers' interests is through the organization of consumers' cooperative. The consumers themselves form their own store. Therefore, they can decide the quality, quantity, and price of their own goods for sale. Naturally, they do not cheat or exploit themselves. They are the owners and at the same time the buyers of their own products.

A consumers' cooperative is a kind of organization which even the poor can join. In fact, a consumers' cooperative is organized primarily for the welfare of the poor consumers who suffer most from abuses of capitalism. All over the world, there are many successful consumers' cooperatives organized by poor people. Of course, the best model is the cooperative store of the Rochdale pioneers. They have shown to the whole world that group cooperation could successfully defy the evils of capitalism (Fajardo and Abella, 1999).

Common Bonds of Interest for Consumers Cooperative

According to Onaganet *al.*(1973), the bond that ties members into a cooperative is some needs common to the group. People who are similarly situated tend to make a common cause. Consumers, therefore, realizing their economic weakness as individuals



in the bargaining end of the distributive process, associate together believing that with their mutual action they could realize what they want which, without their cooperative, could be impossible of realization.

Some consumer needs which may serve as a common bond of interest, necessitating group action, are listed below. Any one or more of these may be a sufficient reason to validate cooperative action:

1. Inadequacy of merchandise. The existing stores in the community may not adequately provide the kind of merchandise, both in quantity and quality that are needed by the people.

2. Inadequacy of service. The number of stores existing to serve the community cannot cope with the demand for service by the people. This compels some people to go far to get the desired merchandise.

3. Poor service. Existing retailers cannot satisfy service requirements of the community. Due to lack of training in modern retailing, or to an obsolete or antiquated system distribution, customers are left to their resources in determining the merchandise they need. No professional advice is rendered to consumers who are usually undecided and cannot make up their minds.

4. High prices. Sometimes prices charged to costumers become unreasonably high. When the existing retailers enjoy monopoly position in the market prices is sometimes charged as high as the market may bear.

5. Unethical trade practices. In a profit enterprise system the effort to make high profit or to survive economic competition causes the retailer to resort to all kinds of unethical practices. Adulteration of goods is most common in a market where



competition is brisk. Thus vinegar is mixed with water to press the price down, even lower than the procurement price. For the same reason, a high grade of rice is mixed with cheaper variety. Underweighting is common along unprincipled merchants. Dishonesty of some merchant knows no bounds. Substitution of inferior goods sometimes happens where sales are made by samples. Inferior goods or unknown products are sometimes labelled with popular brands. Imitation of popular brands is often practiced. Misrepresentation is often resorted to in an effort to high-pressure an unknowing customer.

6. Discriminating attitude of retailers. Some retailers openly discriminate against the common classes, especially where there are no competing stores in the community. They serve pleasantly whom they respect and treat others, usually the poorer classes, with corresponding disrespect. In some cases, price discrimination exists. There is one price, usually lower, to some special customers and there is another scale, usually higher, to the ranks and file of customers. The special customers are usually those who are considered the “well-to-do” and who do not really feel the difference in prices, while the ordinary rank and file are composed of the poorer classes for whom a centavo makes considerable weight of difference.

Objectives of Consumers Cooperative

Primary objective. The primary objective of all cooperatives lays emphasis on service. This is vividly demonstrated in consumers’ cooperatives. Members recognize the need for mutual cooperation because they want to enjoy certain services that they cannot enjoy from profit operators in their community. Acquiring the right kind of merchandise that truly and fully satisfies the need of people is a perennial problem of well-intentioned



merchants. To the great majority of operators in the trade, however, they are more interested on the quantity of benefits (profit) they can make out of the people they serve; rather than be concerned with what and how much service they can render them.

Cooperatives practice the “do-it-yourself” method in the operation of their business as the best means of getting what member want-of the right type, quantity and quality and at the right price at the time they are wanted. “If you want the best service, you must act your own serviceman” is the watchword of consumers’ cooperation. No one knows about your needs better than yourself, neither does anyone know how to serve that need with utmost satisfaction better than yourself.

A cooperative store is the clearing house of members’ needs. The store-their own serviceman-therefore, exists solely to find the most satisfactory method of serving their needs.

Saving, a secondary objective. The profit motive expresses itself in a cooperative by the instinctive interest of members in the savings they automatically get out of their consumption. Every time a member buys from his cooperative store, the margin created by the purchase, which accumulates as profits in the case of profit stores, is now saved and accumulated for the credit of the buying member.

It is a cooperative practice to sell goods to its members at prevailing market price-the retail price charged by other stores in the community. When a member makes a purchase from his cooperative, therefore, the spread between total costs and retail price becomes a residue, which belongs to this particular member and not the cooperative. This is credited to him as his saving which accumulated up to the end of the accounting period when the entire amount saved is refunded to him in the form of patronage dividend.



This system of accumulating savings is painless. Outside his cooperative store, a member would pay the same amount on similar goods without the expectation of any return. When made in his cooperative store, he knows that he is accumulating savings which belongs to him. This savings, therefore, becomes an objective-a necessary incentive-that acts as a drive to develop membership loyalty. Only mismanagement and dishonesty of officials will poison the drive (Onaganet *al.*, 1973).

Benefits in Joining a Consumers' Cooperative

1. A member can regularly avail for himself and his family goods and other needs at the right quantity and at reasonable prices.
2. A portion of the net savings of the consumers' cooperative is given to each member as patronage refund in proportion to his purchases. Members also acquire interests on their shares.
3. Marketing problems of members are minimized like haggling over prices and too much going around looking for quality goods which are both time-consuming. Likewise, impulse buying is avoided.
4. Members of the cooperative develop desirable habits and attitudes that are necessary in improving their social and economic conditions (Fajardo and Abella, 1999).

Definition of Terms

Capital. Refer to the sum total of members share capital including deposits, revolving capital, subsidies, donations, legacies, grants, aids, land structures, plants, equipment facilities, machines and other assets of a cooperative.



Diagnostic study. A study wherein the researchers analyze the area out of the situation, if there is really a potential of organizing cooperative.

Members. Includes a person either natural or juridical who adhering to the principles set forth in this Code and in the Articles of Cooperation, has been admitted by the cooperative as member.

Patronage refund. Refer to the amount returned to individual members who patronize the goods and services of the cooperative in proportion to their individual patronage.

Perception. The attitude or understanding based on what is observed or thought.

Potential. Expressing power, possibility.

Sharecapital. Refer to the money paid or required to be paid by the members for the conduct of the operations of the cooperative.



METHODOLOGY

Locale and Time of the Study

The study was conducted in Aliaga, Bambang, Nueva Vizcaya from December 2011 to January 2012.

Respondents of the Study

The respondents of the study were the residents in Barangay Aliaga, Bambang, Nueva Vizcaya (Figure 1 and 2). A total of 130 households served as respondents. Respondents were chosen from the six sitios. Random sampling was done in the selecting of respondents.

Research Method

Prepared survey questionnaires were distributed to the respondents. Personal interview was also done with some respondents. Focus group discussion was also employed to validate data. As to personal interview, we (as researchers) go house to house. Focus group discussion was done through the group of people who were in the stores, school, plaza or houses.

Data Gathered

Data gathered includes the following information; a) personal profile such as age, gender, civil status, educational background and occupation of respondents; b) perception of respondents about consumers' cooperative which is organized and owned by the community, help them in terms of financial assistance, and help them to have the right commodities; and d) potential of establishing consumers cooperative.



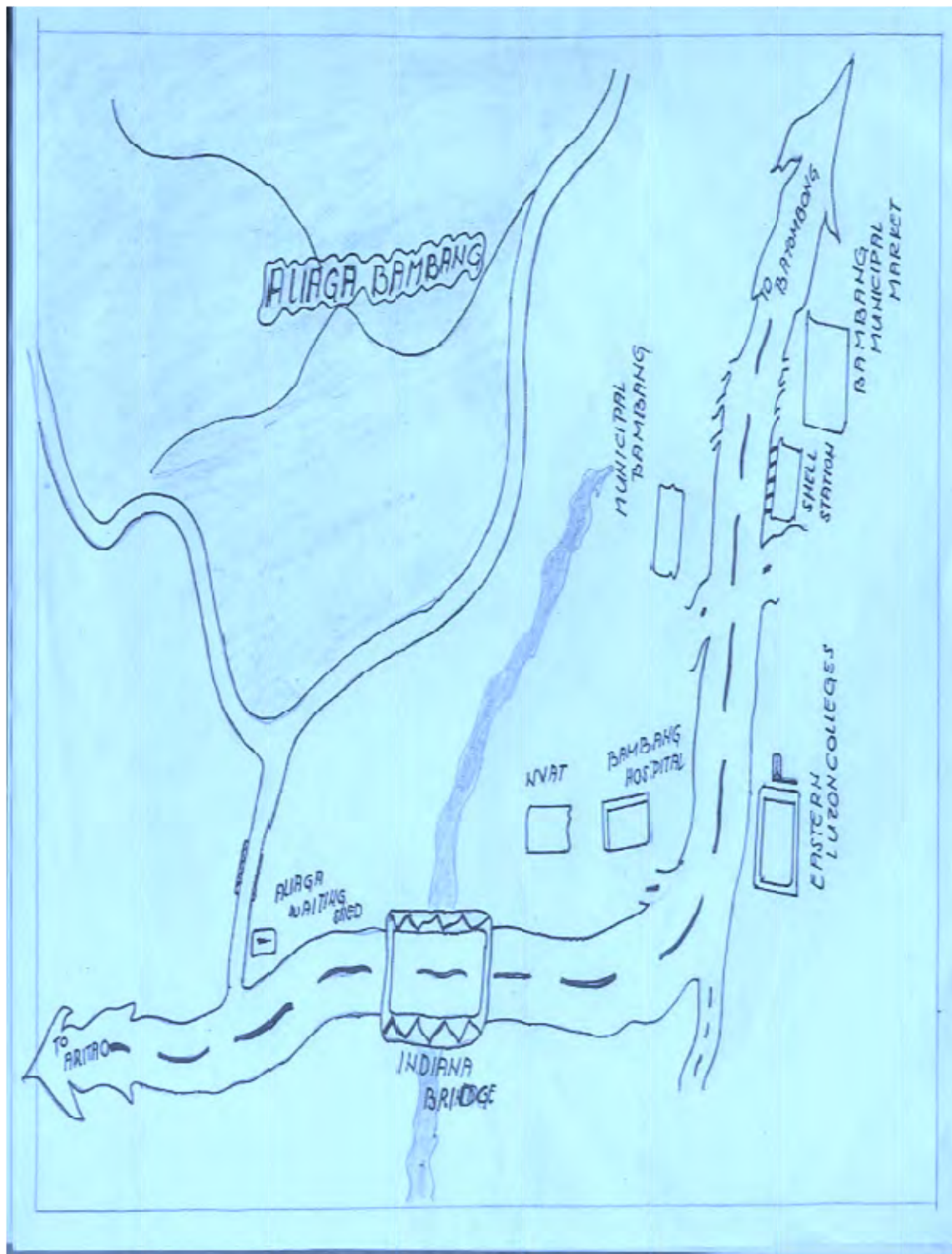


Figure 1. Location map of Bambang



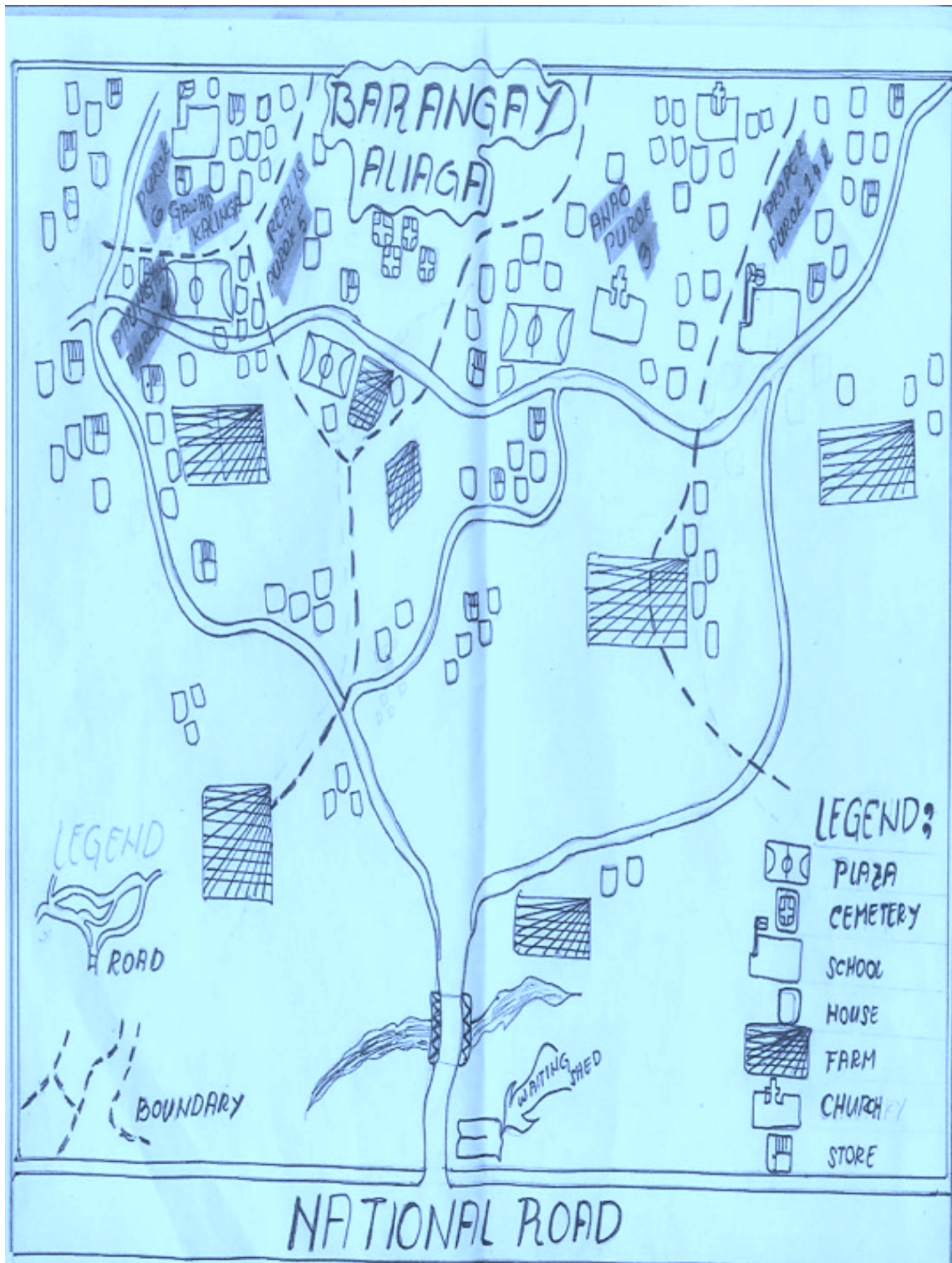


Figure 2. Transect map at Aliaga, Bambang, NuevaVizcaya



Data Analysis

The data were tabulated and classified according to the objective of the study.

Data were analyzed using frequency counts, percentages and appropriate statistical tool.



RESULTS AND DISCUSSION

Transect Map at Aliaga, Bambang Nueva, Vizcaya

Figure 1 presents the map that will show the distance of Bambang Municipal Market to Aliaga, Bambang (where the study was conducted). From Aliaga center, the specified distance to the market place is seven kilometers. Fare per individual is 18-20 pesos (one way).

Figure 2 also presents the transect map at Aliaga, Bambang, Nueva Vizcaya. This shows that most houses in per sitios (specifically purok 6) were closed to each other and some are distant. Mostly, per group of houses have a distance of one or two kilometers. Most stores per sitios are in few distances from each other.

Demographic Profile of Respondents

Table 1 presents the demographic profile of respondents. It presents their age, sex, civil status, occupation, educational attainment, membership to community organization, type of the organization and type of membership, years of membership to the organization, position as an officer, sources of income of the family and household income per annum.

Age. Twenty three (18%) of the respondents belonged to ages 25 and below. Thirty four (26%) of them aged 26-35, thirty one respondents (24%) belonged to 36-45 years old, and 18% were 46-55 years old while 14% belonged to 56-65 years old. This means that most of the respondents were at the middle age.



Gender. Majority of the respondents were female which composed of 65% and only 35% were male.

Civil status. Majority of the respondents (88%) were married , 8% were single and 4% were widow.

Educational attainment.Fifty-one percentof the respondents have not finished high school while 24% have reached or finished college. This indicates that most of the respondents did not reached tertiary level.

Sources of income. Farming (77%) is the main source of income of the respondents. This was followed by the sari-sari store business with 11.5%. Other source of income of the respondents are tricycle operation, pig raising, employment such as OFW, sea man and gasoline boy, vending, labor and government employee/official (barangay treasurer/janitor).This means that most respondents are farmer, housewife and business man. Other respondents also are skilled worker like electrician and construction worker.

Household income. Majority (75%) of respondents were below Php 100,000 household income per annum. Sixteen percent (16%) were Php 101,001 -Php 150,000 income followed by 5%Php 150,001–Php 200,000 income per year and just 4% Php 200,001andabove household income.

Table 1. Demographic profile of respondents

CHARACTERISTIC	FREQUENCY	PERCENTAGE
Age (in years)		
25 and below	23	18
26-35	34	26
36-45	31	24



Table 1. Continued...

CHARACTERISTIC	FREQUENCY	PERCENTAGE
46-55	24	18
56-65	18	14
TOTAL	130	100
Gender		
Male	46	35
Female	84	65
TOTAL	130	100
Civil status		
Single	10	8
Married	115	88
Widow	5	4
TOTAL	130	100
Educational attainment		
Elementary Undergraduate	12	9
Elementary Graduate	22	17
High school Undergraduate	32	25
High school Graduate	33	25
College Undergraduate	15	12
College Graduate	13	10
Vocational/Technical	3	2
TOTAL	130	100
Sources of income*		
Farming	100	77.00
Sari-sari store	15	11.50
Tricycle operation	13	10.00
Swine raising	6	5.00
OFW	2	1.50
Employed	2	1.50



Table 1. Continued...

CHARACTERISTIC	FREQUENCY	PERCENTAGE
Vending	9	7.00
Labor	12	9.00
Government employee	5	4.00
Household income per annum		
Below Php 100,000	97	75
Php 100,001-Php 150,000	21	16
Php 151,001 -Php 200,000	7	5
Above Php 200,001	5	4
TOTAL	130	100

*Multiple response

Table 2 presents the organizational affiliation of respondents. The result shows that 27% of the respondents were not a member of any organization while 73% of them were members. Of the 73% respondents that are members, 35% were cooperative memberslike in St. Catherine, Multi-purpose Cooperative, Alay-kapwa, and Tam-an Cooperative while 65% were in an association which are Abot-palad, Card Bank, and RSPI. Regarding the type of involvement in the organization, 92% of them were members and 8% were officers. Majority were members of organization for 1-5 years and a few for 6 and above years. As to the positions of officers in the organization, 25% were BOD and treasurer, 12.5% were secretary, business manager, auditor and SK chairman. This means that at least a number from the respondents are knowledgeable in leading an



organization which may help in case a consumers' cooperative will be organized.

Table 2. Organizational affiliation

CHARACTERISTIC	FREQUENCY	PERCENTAGE
Membership in organization		
Member	95	73
Not a member	35	27
Type of organization		
Cooperative	33	35
Association	62	65
TOTAL	95	100
Type of involvement		
Member	87	92
Officer	8	8
TOTAL	95	100
Years of affiliation		
1-5	57	71
6-10	16	20
10 and above	7	9
TOTAL	80	100
Positionsheld		
BOD	2	25.00
Treasurer	2	25.00
Secretary	1	12.50
Business manager	1	12.50
Auditor	1	12.50
SK chairman	1	12.50
TOTAL	8	100.00



Perception of Respondents
about Consumers' Cooperative

Table 3 presents the perception of respondents about consumers' cooperative. The result shows that majority of respondents have positive perception about the cooperative.

As stated by Fajardo and Abella (1999), consumers' cooperative were defined as the voluntary association of a group of persons (at least 15 members), with common bond of interest, who agreed to pool their resources together to provide themselves with quality goods and services at reasonable prices. This means that the people who will join the cooperative are the owners. Thus, the table shows that most of the respondents (90%) agree that consumers' cooperative are organized and owned by the community, 1% disagree, 5% were not sure if cooperatives are really owned by the community because of their past experience and 4% have no idea about cooperatives.

Table 3. Perception of respondents about consumers' cooperative

PARTICULAR	RESPONSE							
	Agree		Not agree		Maybe		No idea	
	F	%	F	%	F	%	F	%
Organized and owned by the community	117	90	1	1	7	5	5	4
Helps the community in terms of financial assistance	114	88	1	1	10	7	5	4
Provides right merchandise	114	88	1	1	10	7	5	4
Have right quantity, quality and price of goods	114	88	1	1	10	7	5	4
Help community in terms of savings	114	88	1	1	10	7	5	4
An organization that won't last	1	1	46	35	78	60	5	4
Willingness to join	120	92	6	5	0	0	4	3



As to the consumers' cooperative as an organization that helps the community in terms of financial assistance, 88% of respondents agreed, 1% did not agree and 7% were not sure if it really helps the community in financial aspect because they haven't tried it yet. The result shows that majority of respondents positively think that consumers' cooperative can help the community in terms of financial aspect. As stated by Fajardo and Abella (1999), the ultimate social objective of a cooperative is community building. This is the same with community development. Both use the principle of self-help and involvement in their methods of solving community problems.

Consumers' cooperative provides the right commodities. Eighty eight percent of respondents agreed to this statement, 7% said that they were not sure if it can really provide the right merchandise and some have no ideas about cooperatives. Many (88%) of respondents also said that consumers' cooperative can provide the right quantity, quality and price of merchandise. Some said that they were not sure if it can really provide it because they haven't tried having such organization and some were not aware about consumers' cooperative. This means that consumers cooperative can be a great help to the community, it can provide the needed merchandise through mutual cooperation of the community. This was stated by Onagan (1973), which says that good service was the primary objective of cooperatives.

Most (88%) of respondents answered that consumers' cooperative can help the people in terms of savings, 1% don't agree, 7% said that maybe, it can help the people and 4% have no idea. As stated by Fajardo and Abella (1999), a portion of the net



savings of the consumers' cooperative is given to each member as patronage refund in proportion to his purchases. Members also acquire interests on their shares.

As for the consumers' cooperative as an organization that won't last, 1% agreed and 35 % disagreed. Majority (60%) of the respondents said that they were not sure because this will depend on the management or the officers who will handle the said cooperative.

Majority (92%) of respondents were willing to join the said cooperative if organized, 5% were not willing and 3% have no idea what consumers' cooperative is.

Potential of the Community about Establishing Consumers' Cooperative

Needs of the community. Table 4 presents the needs of the community and the place where the respondents were purchasing their merchandise. The commodities that are mostly purchased by the respondents are rice (40.8%), sugar (39.2%), lard (23.8%), salt (6.9%), soap (6.9%), canned goods (6.9%), and medicine (3.8%). As a result, the needs of the community that consumers' store can provide if established are mostly house hold or kitchen used.

Majority (61%) of respondents were purchasing their merchandise at the sari-sari store and just 39% at the town proper. Mostly, the respondents were purchasing their needs weekly or daily, either on sari-sari store or town. Sugar, salt and lard were bought per kilo or pack. Respondents often purchased the goods or merchandise depending on their budget or depending on when the commodities will be consumed. Some respondents also don't buy rice because they have their own rice field but others were buying it per



kilo or cavan. Commodities such as curls/candies, drinks, gas, tissue, and grooming aids, liquors, frozen foods will be bought if necessary. As for the school supply, many were purchasing it yearly at the town proper.

Table 4. Needs of the community

PARTICULAR	FREQUENCY	PERCENTAGE
<u>Commodities*</u>		
Rice	53	40.8
Sugar	51	39.2
Lard	31	23.8
Salt	9	6.9
Soap	9	6.9
Canned goods	9	6.9
Medicine	5	3.8
<u>Purchasing place</u>		
Sari-sari store	79	61
Town proper	51	39
TOTAL	130	100

*Multiple response

Presence of qualified officers. Table 5 shows that 88% respondents said that there are qualified officers that can serve in the cooperative, 12% said that there are no qualified officers in the area. Their reasons for having qualified officers were as follows: there are people who are honest (36%), trusted (32%), God fearing (7%), willingness or interest to be an officer (7%), right/good attitude (4%), having self-confidence (2%), educated (2%) and it will depends on the group discussion or voting (10%).



As for the 12% who said that there were no qualified officers in the area, the reasons are no trust to people (79%), not willing to be an officer (7%), and dishonesty (14%). The result shows that there can be qualified officers if ever the consumers' cooperative will be established in the area.

Table 5. Availability of qualified officer

PARTICULAR	FREQUENCY	PERCENTAGE
Presence of qualified officers		
there are qualified officers	110	88
no qualified officers	15	12
TOTAL	125	100
Reasons for having qualified officers		
Trusted	37	32
Honest	41	36
God fearing	8	7
Right/good attitude	5	4
interest/willingness	8	7
Self-confidence	2	2
Educated	3	2
Through voting/group discussion	11	10
TOTAL	115	100
Reasons for no qualified officers		
No trusted	11	79
not willing	1	7
Dishonest	2	14
TOTAL	14	100



Willingness of respondents to invest in the cooperative. Table 6 present the willingness of respondents to contribute or invest in the cooperative. One hundred twenty respondents said that they are willing to invest in case a consumers' cooperative will be organized in the area. They are willing to invest a share capital of Php 500(31.6%), Php 1,000(12.5%), Php 2,000(3.3%), Php 300 (1.7%), Php 1,500(0.8%), Php 3,000 (1.70%), Php 5,000 (1.70%), and 10% said that it will depend on the group discussion.

Table 6. Willingness to invest in the cooperative

PARTICULAR	FREQUENCY	PERCENTAGE
Willingness to contribute in the Cooperative		
Willing	120	96
Not willing	5	4
TOTAL	125	100
Share capital		
500	38	31.60
1,000	15	12.50
2,000	4	3.30
300	2	1.70
1,500	1	0.80
3,000	2	1.70
5,000	2	1.70
Depends to the group discussion	56	46.70
TOTAL	120	100.00
Reasons for not willing to join		
Time consuming	3	60
Threat to the store	1	20
Old to join	1	20
TOTAL	8	100



Four percent respondents are not willing to join or invest in the cooperative. There reasons were 60% consumed time, 20% said that it will be a threat to stores and 20% said that he/she was old enough to join.

As the result, majority of respondents wants to contribute or invest a share capital to the cooperative if it will be established.

Perception of Respondents to the Sari-Sari Stores

Table 7 present the perception of respondents about the sari-sari stores. The result shows that majority of respondents were not so much satisfied to the service of the sari-sari stores wherein some respondents said that they will go to the other stores to find the needed merchandise even if that store will be in other purok.

Majority (71%) of respondents said that the sari-sari stores sometimes do not provide the kind of merchandise that was needed by the community. This was because some stores were not purchasing the right brands of merchandise that was needed by people. Eighty-nine respondents said that it totally provide the needed merchandise and some (8%) said that it doesnot provide the needed kind of merchandise.

As for the quantity of goods in the sari-sari stores, majority(64%) said that some specific number of merchandise were not completely available. Thirty-nine (31%) respondents said that the needed quantities of merchandise were completely provided by the stores and 5% also said that it doesn't provide the right quantity of merchandise.

Majority (63.2%) of people said that right quality of merchandise in stores were sometimes not provided because some were expired specially those that was stocked.



This was followed by 34.4 % who said that stores provide the right quality of merchandise and 2.4 % said that it doesn't provide the needed quality of commodities.

Most(52.8%) respondents said that stores have the right price of merchandise, followed by 37.6 % respondents who said that they were sometimes contented to the price of goods they are buying and 9.6 % said that the price were very high. This shows that majority of respondents were satisfied on the price of merchandise in the stores due to the increase of fare.

Table 7. Perception of respondents to the sari-sari stores

PARTICULAR	RESPONSE					
	Provide		Do not provide		Sometimes provide	
	F	%	F	%	F	%
Right kind of merchandise	26	21	10	8	89	71
Right quantity of goods	39	31	6	5	80	64
Right quality of goods	43	34.4	3	2.4	79	63.2
Right price of merchandise	66	52.8	12	9.6	47	37.6



SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

This research was conducted to determine the potentials of organizing consumers' cooperative in Aliaga, Bambang, NuevaVizcaya.

The respondents were 130 household from the area of the study. Survey questionnaire was used in gathering data. Personal interview and focus group discussion was done to some respondents. Data gathered was analyzed using percentage and frequency counts.

The study found out that majority of respondents' ages ranges from 26 to 45, female, married, and attended formal education. Most respondents were farmers and house keeper and most have an income of Php 100,000 and below per year. Majority were member of an organization and association for 1-5 years. Some were officers of the organization.

Majority have good perceptions about the consumers' cooperative. The respondents mentioned that if the cooperative will push through, it will help the



community in terms of financial assistance, provides the right kind, quality, quantity and price of merchandise and it can help individuals in terms of savings. Although, with this perception, most mentioned that the success of this cooperative will depend on the people who will manage this cooperative. Majority of them wants to join the said cooperative.

Most respondents often purchased rice, sugar, lard and other house hold needs. Majority were purchasing their needs in sari-sari store weekly or daily. This will depend on their budget. Even though most of the respondents were purchasing in sari-sari stores, this is not enough because some merchandise were not available.

Majority of the respondents mentioned that there can be qualified officers that can lead the cooperative. Their main reasons were that there are still people who could be trusted and honest.

Most of the respondents said that they are willing to contribute or invest a share capital to the cooperative if it will be organized. Share capital will depend on the discussion of the community.

Conclusions

Based on findings of the study, the following conclusions were drawn:

1. The distance of market place to Aliagacenter is seven kilometers wherein the fair of individual who will go to the market is 18-20 pesos (one way). This can be an additional expense to the people.
2. Most of the respondents were purchasing at the sari-sari stores but were not so much satisfied in the service of stores because of unavailability of other commodities that was needed by the people.



3. Most of them have good perception about the consumers' cooperative. Many said that this can be advantageous to them, if it will be organized, because this can provide the needed necessities (specifically house hold need) of the community and this can help them in terms of savings through patronage refund.

4. Majority of respondents were willing to invest a share capital to the cooperative, if ever there will be a plan to organize consumers' cooperative. They also said that there can be qualified officers from the area that can help in leading the cooperative and this will be determined through group discussion or majority vote.

5. Furthermore, from the responses of the respondents, then it can be concluded that organizing a consumers' cooperative at Aliaga, Bambang, Nueva Vizcaya would be possible. They want to try having community owned store in order to have an organization that can provide complete and right merchandise.

Recommendations

Based on the conclusions, the following are recommended:

1. Since majority showed interest in organizing consumers' cooperative, then deeper feasibility study should be conducted to help in knowing if it is viable to put-up a consumers' cooperative. Then if the result of the feasibility study show that it is viable, then it is time to organize one.

2. Before organizing, a committed core group that will help in organizing should be determined since commitment is needed for a cooperative to be successful. After that, then information dissemination should be conducted such as seminars and meetings of the members of the community for them to be more knowledgeable about consumers' cooperative. It would be better also if the advantageous and disadvantageous of



cooperative will be discussed for them to know the do's and don'ts in forming cooperative. In addition, a committed officers and members are recommended also for a cooperative to be successful since they will be the one who will look up for the cooperative and so that it will not be a fly-by-night organization.

3. Furthermore, an organized linkage to secondary cooperative is recommended to have stable and strong cooperative and to have access or information about cooperatives like the laws, rules and regulations, and others. This is an application of the coop principle stated as "cooperation among cooperatives".

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APPENDIX A

Letter to the Respondents

Department of Agricultural Economics and
Agribusiness Management (DEAEM)
Benguet State University
La Trinidad, Benguet

November 2011

Sir/Madam,

Warm greetings!

I am a senior student taking up BS Agribusiness major in Cooperative Management at Benguet State University. I'm having a research study entitled "A Diagnostic Study of the Potential of Organizing Consumers Cooperative at Aliaga, Bambang, Nueva Vizcaya" as requirement for the degree. In this connection, I would like to ask from your opinion regarding the following queries.

Thank you very much for spending your time and rest assured that all will be taken into consideration.



Respectfully yours,

GRETCHEN N. TAD-O
BSAB Student

Noted:

PROF. DAVID JOSEPH BOGNADON
Thesis Adviser

APPENDIX B

Survey Questionnaire

A.PERSONAL INFORMATION

1. NAME: _____ DATE: _____
2. AGE: _____ GENDER: M F _____ CIVIL STATUS: S M _____
3. HOME ADDRESS: _____
4. OCCUPATION: _____
5. EDUCATIONAL BACKGROUND:

- | | |
|---|---|
| <input type="checkbox"/> No formal education | <input type="checkbox"/> College under graduate |
| <input type="checkbox"/> Elementary under graduate | <input type="checkbox"/> College graduate |
| <input type="checkbox"/> Elementary graduate | <input type="checkbox"/> Vocational/Technical |
| <input type="checkbox"/> High School under graduate | |
| <input type="checkbox"/> High School graduate | |

6. Are you a member of any organization?



Yes No

7. If yes, what type of organization?

Cooperative

Association

8. What position are you holding?

Member, how many years have you been a member? ___

Officer, what position and how many years have you been in that position? _____

9. What are the sources of income of your family?

farming

sari-sari store

tricycle operator/driver

others, please specify _____

10. Household Income per annum:

Below 100,000.00

100, 001.00 to 150,000.00

151, 001.00 to 200, 000.00

Above 200, 001.00

B. AS TO PERCEPTION OF RESPONDENTS ABOUT CONSUMERS COOPERATIVE

1. Please check yes if you agree and no if not agree.

QUESTIONS	YES	NO
a. Is consumers' cooperative organized by the community and		



owned by them?		
b. Is consumers' cooperative an organization that helps the community in terms of financial assistance?		
c. Do you think consumers' cooperative provides the right commodities or merchandise?		
d. Do you think consumers' cooperative provides right quantity, quality and price of merchandise?		
e. Do you think consumers' cooperative can help you in terms of savings?		
f. Does consumers' cooperative just an organization that won't last?		
g. Are you willing to join consumers' cooperative if organized?		

C. AS TO POTENTIAL OF THE COMMUNITY ABOUT ESTABLISHING CONSUMERS COOPERATIVE

1. Felt Need.

a) What commodity do you purchase often? Specify.

b) In your observation, what are the needs in your community that consumers' store can provide?

2. Volume of Business.

a) Where are you currently purchasing your house hold needs?

__sari-sari store

__town proper

b) How much is the volume of your purchased products?

DESCRIPTION OF COMMODITY	QUANTITY PURCHASED	HOW OFTEN? (daily, weekly, monthly, yearly)
--------------------------	--------------------	--



Rice		
Canned goods		
Sugar		
Salt		
Lard/oil		
Soap (bath soap, laundry soap)		
Milk/coffee		
Ingredients (soy, bagoong, paminta, vetsin, knorr cube, garlic, vinegar, etc.)		
Frozen foods		
Eggs		
Pancit		
Medicines		
Curls/candies/crackers		
Drinks(litro, 1.5, 12 oz, drinky)		
Bakery Bread		
Gas		
Tissue/ Diapers		
School Supply		
Grooming Aids(Baby Powder, Tooth brush, Rexona, Shampoo)		
Cigarettes		
Liqours		

3. Availability of Qualified Officers

a) Do you think there are qualified people to serve in the cooperative?

___yes ___no

b) If yes, why?

c) If no, why?



4. Adequacy of Resources

a) Are you willing to contribute or invest in the cooperative? Yes_ No_

b) If yes, how much share capital do you want to invest?

__500

__1000

__2000

__others, specify_____

c) If no, Why? _____

5. Buying Behaviour

QUESTIONS	YES	NO	SOMETIMES
Do the sari-sari stores adequately provide the following that are needed by the people			
a. Kind of merchandise/goods you need?			
b. Quantity of goods?			
c. Quality of goods?			
d. Right price of merchandise?			

