

BIBLIOGRAPHY

VIRGO, IRENE B. APRIL 2013. Marketing Practices of Eateries in Tuba, Benguet.
Benguet State University, La Trinidad, Benguet

Adviser: Samuel L. Duyan, BSc.

ABSTRACT

The study on the Marketing Practices of Eateries in Tuba, Benguet aimed to identify the objectives of the business in terms of product, price, place and promotion, to know the marketing practices adopted by the entrepreneurs towards the marketing mix, to identify the problems encountered by the entrepreneurs in adopting the marketing mix, and to assess the perceived best marketing practices of the respondents.

The results revealed that, majority of the respondent's objective in terms of product was to offer safe and clean food, while in pricing almost all the respondent's objective was to maximize their profit. In addition, in terms of place most of the respondent's objective was to have a location that is safe and clean, and lastly most of the respondent's objective in terms of promotion was to encourage the customers to keep patronizing the menu items or enterprise.

The marketing practices of the respondents revealed that the respondents practiced some of the given product offerings and majority of them had their own facilities and amenities. Furthermore, they rarely offered other services like catering, take-out and free food for bus drivers. They often adopted competition-based pricing and cost-based pricing.



The target market of the respondents were the passengers and drivers, on the other hand, the respondents rarely made internal arrangement with bus, jeep, and van drivers and/or operators and practice free delivery. Moreover, the respondents promoted their product using plain product display and by inviting customers directly.

The marketing problems included the offering of the same menu, limited menu items, inadequacy of parking space, not affordable price to some customers, price competition, lack of capital, high cost of promotion, lack of knowledge about the promotional strategies and inaccessibility of promotional media.

As to the assessment on the perceived best marketing practices most of the respondent's agree on the variables used in assessing the best marketing practices. Nevertheless, the respondents are undecided in relation to whether the cost of promotion is within the allowable budget and whether promotions increase the number of customers.



INTRODUCTION

Rationale

Marketing is one of the most important components required for sustainable operation of micro, small and medium enterprise. An entrepreneur needs to have a market oriented approach at all level stage in life cycle of enterprise development.

The process of marketing involves three key steps; in the first step, the buyer's needs, tastes and preferences are identified. The second step, the buyer needs, tastes and preferences are converted to product. The final step is that of delivering the product to the customers or buyers.

Many businesses have succeeded, but there are also those which failed. One reason can be due to less attention devoted on the marketing aspect of the business and also many of the business owners lack the marketing orientation needed in marketing their products and in satisfying their customers.

Therefore, if the business has been positioned to market place, it is now the time that the owners develop marketing mix, in other word to decide about the most effective composition of the four components of marketing mix, namely; product, price, place, and promotion in order for the business to succeed.

The Municipality of Tuba is located in the southern portion of Cordillera Mountain Ranges that extends from the Northwestern tip of Luzon towards Pangasinan. Travelers bound to the City of Baguio pass through the Municipality of Tuba via any of the three main thoroughfares, namely: Kennon Road, Marcos Highway, and Quirino (formerly Naguilian Road).



Along with these main roads are many Eateries. Tuba considered these business as one potential as it contributes to economic development on the municipality. The study focused on the objectives of the business, their common marketing practices and the problems encountered.

Statement of the Problem

The study was conducted at Tuba, Benguet. Specifically, it aimed to answer the following questions:

1. What is the profile of the business?
2. What are the objectives of the business in terms of product, price, place and promotion?
3. What are the marketing practices of the entrepreneurs towards the marketing mix?
4. What are the problems encountered by the entrepreneurs in adopting the marketing mix?
and,
5. What is the perceived best marketing practice of the respondents?

Objectives of the Study

The objectives of the study are the following.

1. To identify the profile of the business;
2. To identify the objectives of the business in terms of product, price, place and promotion;
3. To know the marketing practices adopted by the entrepreneurs in towards the marketing mix;



4. To identify the problems encountered by the entrepreneurs in adopting the marketing mix; and,

5. To assess the perceived best marketing practices of the respondents.

Importance of the Study

This study would help the business owners to formulate new marketing mix. As time change, many environmental factors affect the business, therefore new strategies should be formulated or studied. This will also promote understanding of various practices done by the entrepreneurs and help find out how existing strategies can be improved to be more effective. The findings could help the entrepreneurs in the accumulation of knowledge on marketing mix, activities and problems in marketing their commodities. Furthermore it would serve as a reference for future research.

Scope and Delimitation of the Study

The study was conducted in Tuba, Benguet. The study will be limited to the profile of the business, their objectives, their marketing practices and the problems encountered by the entrepreneurs.



REVIEW OF LITERATURE

Marketing Management

A continuous process that's occurs at all levels of an organization and across all the business functions. At the total organizational levels, marketing management involves creating and maintaining the organizations culture-a set of values and beliefs about the necessity of satisfying customer's needs. These values and beliefs dictate that the long-term cooperatives relationships should be built and maintained through an analysis of market structure, customer behaviour, and positioning within the value-adding process.

At the strategic business units (SBU) or divisional levels, marketing management involves strategy-defining how the organization is to compete within the market and focusing on the market segmentation and target positioning of goods/services, and deciding when and how to partner. At the operating managements develops tactics-specifics about the marketing mix (Product offering, place/distribution policies, pricing, promotion/communication)-and manages customers and reseller relationships (Anderson and Vincze, 2000).

Marketing management is the process of planning, executing, and controlling marketing activities to attain marketing goals and objectives effectively and efficiency (Zikmund and D' Amico, 2002).



Activities of the Micro, Small and Medium Enterprises

The micro, small and medium scale industry needs to look into itself and also outside.

Lim (1985) stated that the internal structure of an industry can highlight few facets which can call attention either because they indicate strength or because they invite further consideration for policy action. The external relation of an industry shows up its role in the economic policies in the credit and fiscal sectors.

The industry, looking at itself must cover the following activities which are the production, marketing, finance, and training.

1. Production. According to Snodgrass and Wallace (1975) is the transformation of two or more inputs (resources) into one or more product. The transformation that takes place includes the technology that the industry uses, its relative efficiency, its costs of production, its capacity to meet market demands and the labour directed to the production and kinds of inputs to be used, because production does not vary evenly as inputs are fed uniformly into the production process. The volume of the production determines whether a product should be produced in small or large quantities.

2. Marketing. Marketing is the management function responsible for assuring that every aspect of the organization focuses on customer relationships by delivering superior value, recognizing that the organization's ongoing relationships are its most important assets.

The shifting rapidly from the traditional, transaction based view of microeconomics and production efficiency to marketing as a mutually beneficial exchange process built on the long term relationship between buyers and sellers. While both customers and products have a major influence on marketing decision, companies are devoting more attention than ever to the customers wants and needs. Likewise, marketing effort is more focused on



attracting, retaining and developing profitable relationships with employees, suppliers, customers and others (Anderson and Vincze, 2000).

Marketing is the process of influencing voluntary exchange transaction in which one party to be transaction can be envisioned in some fashion as a customer of the other, the marketer. The marketing process involves communication and requires a mechanism or system to carry out the exchange of the marketer's product for something of value.

3. Finance. Deals with the momentary aspects, the efficient use and control of revenue and expenditures, as well as capital asset and finds. An enterprise cannot grow and expand unless financial resources are available or can be marshalled for use. However, proper financing, according to Snodgrass and Wallace (1975) is essential to entrepreneurial success, the right amount of funds must be expanded for inventories, adequate loans must be arranged, sufficient fixed capital must be provided, credit must be extended wisely, and the total physical volume of the enterprises must maintain at a level compatible with funds available.

According to Ferrel and Hirt (2000), although management and marketing have to deal with financial considerations, it is the primary responsibility of the owners to provide financial resources for the operations of the business. Moreover the owners have the most to lose if the business fails to make a profit. Finance refers to all activities concerned with obtaining money and using it effectively.

4. Training. As mentioned by Dalisay (1975) is a process which involves many areas. It is a system which merges from proper researches, interpretations and borrowing of all the components that go into training programs such as the needs of the entrepreneur, trainees and their perceptions, experiences, attitudes, knowledge and skills deemed relevant to



enrich their self-potentials and to improve their performance. Training is given to workers to increase their specific job-related skills and to improve their productivity.

Marketing Mix Element

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

Marketing mix helps the company to determine what goods or products to offer, to decide what distribution mix to use, to inform customers and to determine the overall level of price. The main concept of marketing mix depends on a number of decisions with regards to the four major variables of the 4 P's.

A company's marketing managers are responsible for planning and implementing all the activities that result in the transfer of goods or services to its customers. These activities culminate in the marketing plan-a detailed strategy for focusing marketing efforts on consumer needs and wants. Therefore, marketing strategy begins when a company identifies a consumer need and develops a product to meet it. In planning and implementing strategies, marketing managers develop the four basic components (also called the 4 P's) of the marketing mix (Elbert and Greffin, 2000).

Marketing mix includes the basic tools used by marketing managers to sell goods and services to target markets (Anderson and Vincze, 2000).



Planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services are essential marketing activities. These interrelated and interdependent activities are performed to encourage exchange and build relationships. The term marketing mix describes the results of management creative efforts to combine these activities. Faced with a wide choice of product features, messages, prices, distribution methods, and other marketing variables, the marketing managers must select and combine ingredients to create a marketing mix that will achieved organizational objectives (Zikmund and D' Amico, 2002).

Product

The goods and service offered by an organization represents more than manufacturing or production specifications. It is a bundle of benefits that is being delivered to meet the needs of the organization customers. In the past, superior product design or performance was thought to be sufficient to attract large numbers and suppliers are becoming involved in product development and managements. They are brought into design process by the manufacturers to maximize market acceptance and purchase. Product positioning strategies have become more finely tuned to customer needs and perceived benefits, frequently from a value-added perspective (Anderson and Vincze, 2000).

The term product refers to what the business or nonprofit organization offers to its perspective customers or clients. The offering may be tangible foods, such as cars; a services, such as an airline trips; or an intangible idea, such as the importance of parents reading to their children.



Because customers often expect more from an organization than a simple, tangible products, the task of marketing management is to provide complete offering – a “total products”- that’s includes not only the basic goods or services but also the “extras “that go with it (Zikmund and D’Amico, 2002).

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

Product differentiation. Producers often promote particular features of products in order to distinguish them on the market place. Product differentiation is the creation of the feature or image that makes a product differ enough from existing products to attract customers (Elbert and Greffin, 2000).

Product decisions first of all involve determining just what products the consumer wants and will buy. However, planning the wanted product also leads to the development of related strategies. Brand names, trademarks, warranty and guarantee aspects of the product must also be determined. The physical design and the packaging of the product similarly must be specified. The producer must also know the anticipated life cycle of the product-How long it will have customer appeal? And must plan to develop new products as the good or the production line becomes obsolete. Product planning calls for continues review of a products performance and willingness reevaluate the initial marketing strategy (Carson, 1985).



Branding. Another factor that tries to relate the product image or intention (name, symbol, design). Jurado and Llanes (1982) revealed that packaging is that part of product development which is the design of a product's container, whose purpose is to protect the product to enhance the product's value to the consumers and to stimulate sales. Benefits of packaging to the seller include protection of the product, more efficient physical distribution, lower total cost and relatively higher sales and profit. Benefits of packaging to the consumers relate to helping keep the product clean and uncontaminated until it is needed. Since packaging is a part of a company's total marketing strategy, the marketing objectives and design and the packaging policies must be consistent with the rest of the total strategy.

Packaging. The packaging or external container that holds and describes the products, influences consumers attitudes and their buying decision. It is estimated that consumers eyes linger only 2.5 seconds on each products on an average shopping trip; therefore products packaging should be designed to attract and hold consumers attention. The attractive packaging captures attention and makes the products stand out. A package can perform several function including protection, economy, convenience, and promotion (Ferrel and Hirt, 2000).

Labeling. The presentation of the important information on the package is closely associated with packaging. The content of labeling, often required by the law may include ingredients or contents, nutrition facts (calories, fats, etc.), care instructions, suggestions, for use (such as recipes), the manufacturer address and toll free number and other useful information. In this information can have a strong impact on sales? The labels of many



products, particularly foods and drugs, must carry warnings, instruction, certifications, or the manufacturer's identifications.

Price or Pricing

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

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

Pricing is the decision to produces a certain good and the price charged for it are not independent variables. Pricing decision are always complex. Even the reasonable expectation that the firm will always correct. Infact, to initially establish itself of a new product line, a firm may actually accept a situation in which cost exceed price. Of course this is usually a short term strategy. Generally, profit maximization remains the long term goal (Carson, 1985).

Rue and Holland (1986) states that pricing must be considered in relation to costs, consistency and potential inflation. Benefits of well-conceived pricing include increasing



sales to current customers, attracting new customers, maximizing short-run cash flow, and maintaining an established position. Pricing product through the prevailing price is another strategy in commonly practiced. The price for the service is reasonable and fair; moreover, much competition was noted with the presence of the same services with in the vicinity (Mahmood, 1996).

According to Zikmund and d' Amico (2002), price is the money or something else of value and a given in exchange for something. In other words, price is what is exchanged for a product. The customer typically buys products with cash or credits, but the price maybe a good or service that is traded. In not-for-profit situation, price may be expressed in terms of volunteered time or efforts, votes, or donations.

Marketers must determine the best price for their products. To do so, they must ascertain a products value, or what is worth to consumers. Once the value of the product is established, the marketers know what price to charge. However, because consumer's evaluations of a product worth change over time, prices are subject to rapid change.

According to Anderson and Vincze (2000), price is basically the amount a customer is willing to give up to obtain a desired good or service. Traditional pricing approaches tended to be cost-based and adjusted according to the demand and price elasticity, indicators of what the customer was willing to pay. Today, the focus is on pricing strategies such as everyday low prices, price quality value, and value added. These are but a few of the "buzz words" that characterize the current and evolving approach to pricing. Consumers and organizational customers want real value for their money. However, value is determined by the relationships between quality and price; the better the quality for the price charged, the higher is the perceived value of purchase.



Place (Distribution)

Place is usually referred to as the channel or distribution. This has been very important in business. It is very important to have the product at the right place. Having the product at the right place is to go near the target customer. Bringing the product to the target customer is to minimize cost in the business. The purpose is to make the product available and accessible to target customers.

Traditional concept of physical distribution typically started at the plant and involved bringing low cost solution to get them to customers.

The distribution system brings the product or service to the place where it can best fill customer's needs. Access to distribution can mean the difference between success and failure for a new product (Rue and Holland, 1986).

Placing a product in the proper outlet-say, a retail store requires decisions about several activities, all of which are concerned with getting the product from the producer to the consumer.

According to Anderson and Vincze (2000), the place or distribution element of the marketing mix refers to the channels and/or location that the sellers use to reach their buyers. For example, direct sales from manufacturer to final customer represent the shortest channel. Longer channel may involve manufacturer, one or more wholesalers or agents, retailers, and final consumers.

Place or distribution, activities involve bridging the physical separation between buyers and sellers to assure that products are available at the right place. Determining how goods get to the customer, how quickly, and in what condition are decision that are made to place products where and when buyers wants them. Transportation, storage, materials handling,



and the like are physical distribution activities. Selecting wholesalers and retailers or choosing to be an e-commerce company operating exclusively on the internet is decision about the structure and extents of distribution.

Promotion

Once the critical product and pricing decision have been made, the marketing managers must determine the appropriate means in promoting the product. In general, a useful, well designed and fairly priced products will go unsold unless people know about it. In a few exceptions, word of mouth can sustain consumers demand, but a firm must usually promote its goods extensively. A marketing manager must therefore plan a selling strategy that involves the promotional tools of personal selling, advertising, publicity and sales promotion (Carson, 1985).

According to Anderson and Vincze (2000), the promotional or communications mix consists of all the tools that an organization uses to communicate with its customers: advertising, personal selling, sales promotion, direct marketing, and publicity/public relations. All organizations involved in communications strategies as they sell to buyers at the next level. However, today, many of the traditional communication methods are being challenged.

With the advents of sophisticated multimedia opportunities, marketers have expanded their ability to communicate with their target customers. In addition to the traditional print and electronic media (i.e. newspapers, magazines, direct mail, radio, television), today's marketing messages can be transmitted by interactive television, home shopping networks, direct mail video catalogues, computer services, and other electronic avenues. The



globalization of market challenges marketing managers to design and execute effective communications programs for foreign audiences at homes and abroad.

The most highly visible components of marketing mix is no doubt promotion, which refers to the techniques for communicating information about the product. The most important promotional tools include advertising, personal selling, sales promotion and public relation (Elbert and Greffin, 2000).

Advertising. Any form of paid non-personal communication used by identified sponsors to persuade or inform potential buyers about a product.

Personal selling. Many products (for example, insurance, clothing and real estate) are best promoted through personal selling, or person-to-person sales. Industrial goods receive the bulk of personal selling. When companies buy from other companies, purchasing agents and others who need technical and detailed information are usually referred to the selling company's sales representative.

Sales promotion. Relatively inexpensive items are often marketed through sales promotions, which involve one time direct inducements to buyers. Premiums (usually free gifts), coupons and package inserts are all sales promotions meant to tempt consumers to buy products.

Public relations. Include all communication efforts directed at building good will. It seeks to build favourable attitudes toward the organization and its products. The Ronald McDonald house program is a well-known example of public relations.



Small Business and the Marketing Mix

The success of many businesses lies a skillful application of the marketing concepts and careful consideration of each element in the marketing mix (Elbert and Griffin, 2000)

Small business products. Some new products and firms are doomed at the start because few consumers want or need what they have to offer. Many fail to estimate realistic market potential, and some offer new product before they have clear pictures of their target segments.

Small business pricing. Haphazard pricing can even sink a firm with good product. Small business pricing errors usually result from a failure to estimate operating expenses accurately. Owners of failing businesses have often been heard to say “I didn’t realize how much it costs to run the business” but when small businesses set prices by carefully assessing costs, many earn satisfactory profits.

Small business distribution. Perhaps the most critical aspect of distribution for small businesses is facility location, especially for new service business. The ability of many small businesses to attract and retain customers depends partly on the choice of location. In distribution as in other aspects of the marketing mix, however, smaller companies may have advantages over larger competitors, even in highly complex industries.

Small business promotion. Successful small business plan for promotional expenses are part of start-up costs. Some held down cost by using less expensive promotional methods. Local newspapers for example are sources of publicity when they publish articles about new or unique businesses. Other small businesses identify themselves and their products with associated groups, organizations and events. Thus, a crafts gallery might join with a local art league to organize public showings of their combined products.



Menu Defined

A detailed list of food items that may be ordered (as in a restaurant) or served. A menu should reflect a particular operation mission and, therefore it will vary greatly from one organization to the next. In the retail setting the menu is designed to attract customers and generates sales, whereas on-sites operation plans menus to meet the needs and wants of a known population. Regardless of the types if foodservices organizations for which menus are being considered, careful planning, implementation, and evaluations are essentials to the success of meeting customers' needs and preferences within the budgetary constraints of the organizations (Payne-Palacio and Theis, 2003).

Menu Planning

The primary goal of food service operations is to serve food that is pleasing to the clientele. It is important to familiar with the target markets: who the consumers are, their characteristics, and their food preferences.

Certain management's factors must be considered. Allowing adequate time to complete menu planning process is essential to smooth implementation of the menu. The menu planner should aim for the best menu for the customers that optimize use of personnel and equipment. Often a compromise must be between what food services would like to offer and what is capable of producing and serving.

Types of Menus

Extents of selections. A selective menu includes two or more choices in some or all menu categories. The exact number of options will vary with the different types of food services.



The menu mix, or the selection of foods items in each food category, must be carefully planned to meet the needs of the customers and to ensure even workloads and balanced used of equipment's.

Semi-selective menus. Allows one or more selections in some of the menus categories. For examples, a long term care facility may offer two entrees and two desserts selections at lunch and dinner, but only one choice in the vegetables and salad categories. Restaurants, on the other hands, may offer choices of entrees accompanied by standards side dishes.

Nonselective menus. The menu that offers no choices of food items. Organizations using the nonselective menu usually have a list of alternatives to offer in the events that a customer does not want any of the menus items offered.

Single-use menu. The menu is planned for a certain day or events and is not repeated again exactly the same form. This type of menu is often used for special functions, holidays, or caterings events.

Cycle menu. A planned set of menus that rotate at definite intervals of a few days to several weeks. The length of the cycle depends on the types of food service offered.

Static menu. The same menus are used each day. These types of menus are found in restaurants and other foodservices where the clientele changes daily or where there are enough items listed on the menu to offer sufficient variety.



METHODOLOGY

Locale and Time of the Study

The study was conducted in Tuba, Benguet specifically it concentrate on the three main roads namely; Marcos Highway, Naguilian Road and Kennon Road. The study was conducted on December 2012 to January 2013.

Respondents of the Study

The respondents of the study were 30 owners and or the managers of the eatery business. The researcher obtained the list of the business from the municipality of Tuba, Benguet.

Data Collection

The researcher distributed the questionnaire to the respondents. A follow-up interview was undertaken to gather other necessary information needed in the study.

Data Gathered

The data gathered were profile of the business, their objectives, the different marketing practices, the problems encountered by the entrepreneurs and the assessments on the perceived best marketing practices of the respondents.

Data Analysis

The data gathered in this study were tabulated, analyzed and discussed. Descriptive statistics using percentage and frequency were used primarily to describe the data.



RESULTS AND DISCUSSION

Information About the Business

This section presents the brief profile or information about the eatery business studied. It includes the number of years engaged in business, the types of business, the estimated average operating capital, the source of capital, the staff employed which include the number of staff and their position, and the role of the owner in the business.

Number of years engaged in business. About one- third (30%) of the respondents were engaged in the business for 6-10 years , 20% for 11-15 years, 16.7% for 0-5 years, 13.3% for 21-25 years and the sane 10% each for 16-20 years and 26-30years (Table 1). This results shows that most of the respondents were engaged in the business for a numbers of years which had given them relative experience and knowledge about their business operation.

Types of business. Table 1 also shows that majority (63.3%) of the respondents were classified as sole proprietorship which implied that these respondents choose to run their business on their own. However, more than one third (36.7%) of the respondents have decided to go on partnership.

Estimated average operating capital. Out of 30 respondents there are 36.7% whose average operating capital is Php 1-15,000, 26.7% for Php 16,000-30,000, Php 16.7% for Php 46,000 -60,000, and the same 6.7% for Php 31,000-45,000, Php 76,000-90,000 and Php 61,000-90,000. The data implies that the business owners are operating in small scale.

Source of capital. It can also be observed from Table 1 that majority of the respondents provide their own capital, 43.3% borrowed their capital from different sources such as from



their family/ friends and relatives (61.5%), from banks with 7.7% and cooperatives with 30.8%. Among the borrowers, it implies that they prefer to source their capital from their family/friend and relatives which accordingly offers lower interest than the formal sources and sometimes no interest at all. Moreover, the borrowers from these formal sources yet prefer to borrow from cooperatives as it entails lower interest than banks.

Table 1. Profile of the business

PARTICULARS	FREQUENCY	PERCENTAGE
Number of years in business		
0-5	5	16.67
6-10	9	30.00
11-15	6	20.00
16-20	3	10.00
21-25	4	13.33
26-30	3	10.00
TOTAL	30	100.00
Types of business		
Sole proprietorships	19	63.33
Partnerships	11	36.67
TOTAL	30	100.00

Table 1. Continued....

PARTICULARS	FREQUENCY	PERCENTAGE
Estimated operating capital (Php)		



1-15,000	11	36.67
16,000-30,000	8	26.67
31,000-45,000	2	6.67
46,000-60,000	5	16.67
61,000-75,000	2	6.67
76,000-90,000	2	6.67
TOTAL	30	100.00
Source of capital		
Own capital	17	56.67
Borrowed capital	13	43.33
TOTAL	30	100.00
If borrowed where?		
Family/friend and relatives	8	61.50
Banks	1	7.67
Cooperatives	4	30.80
TOTAL	13	100.00

Number of staff employed. Table 2 presents the number of staff employed, 6.67% of the respondents do not employ any staff while most (93.3%) of them employ a number of staff.

Staff employed. There are 50% of the respondents who employed service crew, cashier (36.7%), dishwasher (33.3%) and lastly cashier (26.7%).



Role of the owner. Table 2 further shows that 33.3% of the respondent's role is manager, purchaser, and cashier, while 26.7% act as manager and cashier, 23.3% serves as manager, cook and cashiers. Moreover, 16.7% respondents say that they act as a manager. This implies that the owners are performing others tasks or job in the business aside from being the boss.

Table 2. Profile of the business

PARTICULARS	FREQUENCY	PERCENTAGE
Number of staff employed		
1	3	10.00
2	5	16.67
3	4	13.33
4	4	13.33
5	1	3.33
6	6	20.00
7	1	3.33
8	2	6.67

Table 2. Continued....

PARTICULARS	FREQUENCY	PERCENTAGE
9	2	6.67
No staff	2	6.67
TOTAL	30	100.00



Staff employed*		
Cook	11	36.67
Cashier	8	26.67
Service crew	15	50.00
Dishwasher	10	33.33
Role of the owners		
Manager	5	16.7
Manager,purchaser, cashier,	10	33.3
Manager ,cook, cashier	7	23.3
Manager and cashier	8	26.7
TOTAL	30	100.00

*Multiple responses

Objectives of the Business

This presents the objectives of the business in terms of product, price, place and promotion.

Product. According to Zikmund and D'Amico (2002), marketing begins with a product-a good, a service or an idea designed to fill a consumer need or want. Conceiving and developing new products is a constant challenge for marketers, who must always consider the factor of change- changing of technology, changing consumer wants and needs, and changing economic conditions. Marketing consumer needs often means changing existing products to keep face with emerging markets and competitors.



Table 3 shows that most (83.3%) of the respondent's objectives are to offer safe and clean food, 73.3% is to offer different menu items so that customers have a choice, 63.3 % is to offer good performance of employees and 56.7% is to have business identity. Furthermore there are 46.67% of the respondent's objectives are to ensure satisfaction and build a repeat-customers base, the same 40% to disposed the food in a day and to develop a strong and attractive menu with competitive price, and 33.33% is to sell delicious and remarkable food.

Price. Pricing is the decision to produces a certain good and the price charged for it are not independent variables. Pricing decision are always complex. Even the reasonable expectation that the firm will always correct. Infact, to initially establish itself of a new product line, a firm may actually accept a situation in which cost exceed price. Of course this is usually a short term strategy. Generally, profit maximization remains the long term goal (Carson, 1985).

Almost all (93.33%) of the respondent's objectives are to maximize profit. There are about 56.67% of the respondents objectives is to increase market share, while 46.7% is to have greater return on investment, 43.33% is to offer affordable product, and 33.33% is to meet competition. The data indicate that aside from maximizing the profit, the business owners have other reasons in engaging to business.

Place. Ninety percent of the respondent's objectives in terms of place are to have a location that is convenient and suitable for customers, 76.67% is to have a location that is safe and clean, 73.33% is to have a location that is affordable yet accessible to the customers and 33.33% is to have a delightful ambiance. This result implies that the business owners



recognize the importance of having a location that is convenient and suitable to customers in making sales.

Promotion. Most (80%) of the respondent's objectives are to encourage customers to keep patronizing the menu or enterprise. Also there are 60% of the respondents objectives are to make people aware of the menu or enterprise, feel positive about it and remember it.

Table 3. Objectives of the business

PARTICULAR	FREQUENCY	PERCENTAGE
Product		
To offer different menu items so that customers have a choice	22	73.3
To offer safe and clean food	25	83.3
To disposed the food in a day	12	40.00
To ensure satisfaction and build a repeat-customer base	14	46.67
To develop a strong and attractive menu with competitive prices	12	40.00
To sell delicious and remarkable Food	10	33.33
To have a business identity	17	56.67

Table 3. Continued.....

PARTICULARS	FREQUENCY	PERCENTAGE
To ensure that all customers are treated with the respect they deserve	8	26.67
To offer good performance of employees (friendly, happy host)	19	63.33



To offer other services like catering	5	16.67
Price		
To maximize profit	28	93.33
To satisfy customers	9	30.00
To increase market share	17	56.67
To have greater return on investment	14	46.67
To meet competition (pricing good or service in order to adjust with competitors)	10	33.33
To offer affordable product	13	43.33
Place		
To have a location that is safe and clean	26	76.67
To have a location that is affordable yet accessible to customers	22	73.33
To have a location that is convenient and suitable for customers	27	90.00
To have a delightful ambiance (smell, sight ex. Color, lighting, sounds)	10	33.3

Table 2. Continued.....

PARTICULARS	FREQUENCY	PERCENTAGE
Promotion		
To make people aware of the menu/enterprise, feel positive about it and remember it	18	60.00



To encourage customers to keep patronizing the items/ enterprise

24

80.00

*Multiple responses

Marketing Practices

This section presents brief information on marketing practice of the respondents in terms of product, price, place and promotion. The result is measured into scale of five as always, four as often, three as sometimes, two as rarely and one as never.

Product Practices

This include the product offering, practices in offering the product, food preparation, amenities and facilities and other services offered.

Productoffering. The finding shows that, the respondents are always offering “adobong baboy”, “fried chicken”, “adobong manok”, “pritong tilapia”and“bangus”. In addition there are also respondents who often offer “fried chicken”, “pinikpikan”, “sinigang na bangus” and “pinakbet”. Furthermore, there are some respondents who claimed that their product offerings are within the choice of the customers and usually the menu includes “tinolang manok”, “nilagang baka”, “giniling”, “menudo”, “bulalo”, “inihaw na pork belly”, “inihaw na bangus”, “paksiw na tilapia”, “grilled hito”, “egado”, and “bicol express”.

Practices in offering the product. Table 4 also shows that the respondents are always offering safe and clean food (meeting sanitary requirement as prescribed by DOH, and all the workers have regular medical examination), serving menu items that are newly prepared and cooked, offering free soup, offering an adequate serving, and servings



healthy and nutritious food. Also, the respondents are often in offering unlimited rice, and budget meal. This implies that the first thing the respondents consider in offering product is making sure that the food to be served is safe and clean. Furthermore, the results also emphasized that the owners has several practices in offering product in order for them to attract customers.

Food preparation. The practice of the respondents in food preparation is that the server always has knowledge on the menu, always serving food that is well prepared and always offering fast services. This shows that owners trained their staff for the familiarity on the menu they served.

Facilities and amenities. Table 4 also shows that the respondents are having always have available amenities, adequate lighting and attractive decoration. However the facilities and amenities often have proper ventilation and parking space, and lastly it is rarely that business have available facilities like comfort room. This implies that there are more eatery business that have facilities and amenities that contributes to attracting more customers.

Other services offered. Table 4 implies that the respondents often offer take-out. The respondents are also rarely in offering other services like catering and free food for bus drivers. These results revealed the limited knowledge of the respondents towards offering variety of services to their customers like catering.



Table 4. Product practices

PARTICULARS	WEIGHTED MEAN	DESCRIPTION
Product offerings		
“Adobong baboy”	4.70	Always
“Fried chicken”	4.30	Often
“Pinikpikan”	3.53	Often
“Pinapaitan”	3.06	Sometimes
“Pritong tilapia at bangus”	4.50	Always
“Sinigang na bangus”	3.93	Often
“Pinakbet”	3.53	Often
Practices in offering the products		
Offer safe and clean food (meeting sanitary requirement and prescribed by DOH, and all the workers have regular medical examination)	5.00	Always
Serve menu items that are newly prepared and cooked	4.80	Always
Offer unlimited rice	3.63	Often
Offer free soup	5.00	Always
Offer an adequate serving	4.93	Always
Offer budget meal	3.80	Often

Table 4. Continued....

PARTICULARS	WEIGHTED MEAN	DESCRIPTION
Serve healthy and nutritious food.	4.83	Always



Server had knowledge on the menu	4.8	Always
Offer fast service	4.3	Always
The food to be served is well-prepared	4.5	Always
Facilities and amenities		
Available facilities (comfort room)	2.4	Rarely
Available amenities (Television, air condition)	4.3	Always
The food to be served is well-prepared	4.5	Always
Facilities and amenities		
Proper ventilation	3.9	Often
Proper ventilation	3.9	Often
Adequate lighting	4.7	Always
Attractive decoration	4.5	Always
Adequate parking space	3.8	Often
Other services		
Catering	1.8	Rarely
Take-out	3.8	Often
Free food for bus drivers	2	Rarely



Table 5. Pricing practice

PARTICULARS	WEIGHTED MEAN	DESCRIPTION
Basis of product pricing		
Competition- based pricing	3.76	Often
Cost-based pricing	4	Often
Based on target return on investment	3.16	Sometimes
Discount	2.13	Sometimes

Pricing Practices

The respondents often price their product using competition-based pricing and cost-based pricing. But sometimes the product is price based on the respondent's target return on investment and based on discounting. These results revealed that the respondents do not concentrate only in one pricing strategy. However, the common pricing strategy used is the competition-based pricing and cost-based pricing.

Place Practices

This section presents brief information about the practices of the respondents in terms of target market, how they reach their customers, why they choose the location and the description of the business.

Target market. The finding shows that the respondent's target markets often include the passengers and drivers, but sometimes their customers are the resident in the place and anyone (students and employees). So, this result implies that the business do not just focus on one target market, but anyone who wants to eat in the place.



Reaching and maintaining customers. The Table 6 also shows how the respondents reach their customers. The result indicates that it is always through continuous improvement of the menu and having good relationships to the customers. It shows also that the respondents rarely enter into internal arrangement with bus, jeep, and van drivers and/or operators and in practicing free delivery. This implies that in reaching their customers, continuous improvement of the menu and having good relationships are the common practices they used in order for them to attract and satisfy the customers.

Choosing the location. Moreover, the respondents choose the place as the location due to its accessibility and convenience and cleanliness of the surrounding. In addition, the data also imply that the business owners often have more customers. This implies that the first thing they consider in choosing the place as the location is that it is convenient to the customers and cleanliness of the surroundings, as the location is one of the preference of the customers in choosing location where they would eat and consume time.

Description of the business. The findings further show that the business is always presentable (attractive decoration, adequate lighting, clean), have delightful ambiance (smell-aromatic, sounds-music). Moreover, they are often in having available facilities like comfort room and large space that can occupy all the customers.



Table 6. Place practices

PARTICULARS	WEIGHTED MEAN	DESCRIPTION
Target market		
Passengers and drivers	4.27	Often
Residents	3.47	Sometimes
Anyone (students, employee, etc.)	2.46	Sometimes
Reaching the customers		
Free delivery	1.9	Rarely
Internal arrangement with bus, jeep, and van drivers and/or operators	2.03	Rarely
Continuous improvement of the menu	4.63	Always
Good customer relationships	4.4	Always
Choosing the location		
Accessible and convenient	4.5	Always
More customers	3.93	Often
Cleanliness of the surroundings	4.3	Always
Description of the business		
Large space can occupy all the customers	4.13	Often
Presentable (Attractive decoration, adequate lightning, and cleanliness)	4.3	Always
Delightful ambiance (smell-aromatic scent, sounds- music)	4.2	Often



Promotion Practices

This section presents the information on the practices of the respondents in promoting their products in terms of advertising, sales promotion and personal selling.

Advertising. The businesses are sometimes promoting their product using tarpaulin. Furthermore, they never use newspapers and flyers in promoting their product in terms of advertising. This result implies that the respondents are not promoting their product using advertisement, but then there are some but not always which could be due to the high cost of these promotional measures.

Sales promotion. The business owners always use plain product display in promoting their product in terms of sales promotion. Furthermore, they never use coupons in attracting customers.

Personal selling. The finding also shows that an entrepreneur's one way of promoting their product is by always inviting their customers directly. This result implies that they are not using other promotional materials due to lack of capitals and lack of knowledge on these promotional strategies.

Table 5. Promotion Practices

PARTICULARS	WEIGHTED MEAN	DESCRIPTION
Advertising		
Newspapers	1	Never
Flyers	1	Never
Tarpaulin	3.3	Sometimes



Table 5. Continued....

PARTICULARS	WEIGHTED MEAN	DESCRIPTION
Posters	1.73	Never
Sales promotion		
Plain product display	5	Always
Use coupons	1	Never
Personal selling		
Inviting customers directly	5	Always

LEGEND: 1-1.8 – Never 1.9-2.6- Rarely 2.7-3.4- Sometimes 3.5-4.2- Often
 3-5- Always

Marketing Problems

Table 8 presents the problems of the eatery business in terms of product, price, place and promotion.

Product. Table 8 shows the marketing problems of the respondents in offering their product, and services.

As the results shown in Table 8, the problems of the respondents in terms of product offering is that they are always offering the same menu (70%), is offering limited menu (56.67%), is lack of product quality (36.67%), and the food to be served is not well-prepared (10%). There were 50% of the respondents whosay that there problems in offering service is inadequate facilities, no proper ventilation (33.33%). In addition, 13.33% is due to inadequate lighting and 6.67% is due to unattractive decoration.



Pricing. The Table shows that price being not affordable to some customers (73.33%) is the common problems of the eatery business, while 50% is the price competition. The respondent offering is not affordable to some customers but then it is also affordable to some.

Place. Table 8 also shows that 80% of the respondent's problems in terms of place is less customers, so this implies that some of the eatery business in Tuba has fewer customers, especially to the eatery that is newly opened. Furthermore, price competition and unattractive decoration have 43.33% and 3.3% respectively.

Promotion. This shows that lack of capital (76.67%) is the common problems of the respondents for not promoting their product, while 56.67 is due to high cost of promotion, 33.33% is lack of knowledge about the promotional strategies and lastly 30% is inaccessibility of the promotional media.

Table 8. Marketing problems

PARTICULARS	FREQUENCY	PERCENTAGE
Problems in offering product to the customers		
Limited menu items	17	56.67
Lack of product quality	11	36.67
Food to be served is not well prepared	3	10.00
Always the same menu	21	70.00
Problems in offering services to customers		
Inadequate facilities (parking space)	15	50.00



Table 8. Continued....

PARTICULARS	FREQUENCY	PERCENTAGE
No proper ventilation	10	33.33
Inadequate lighting	4	13.33
Unattractive decoration	2	6.67
Problems on pricing		
Price is not affordable to some customers	22	73.33
Price competition	15	50.00
Problems on place		
Price competition	13	43.33
Less customers	24	80.00
Unattractive surroundings	1	3.33
Problems on promotion		
High cost of promotion	17	56.66
Lack of capital	23	76.67
Lack of knowledge about the promotional strategies	10	33.33
Inaccessibility of the promotional media	9	30.00

*Multiple responses



Assessment on the Perceived Best Marketing Practices of the Respondents

Most of the respondents agree on the variables used in assessing the best marketing practices. Nevertheless, the respondents are undecided in relation to whether the cost of promotion is within the allowable budget and whether promotions increase the number of customers.

As the results shown in the past discussion, offering safe and clean food and offering free soup are the respondents marketing practices in terms of product as it attained their objectives of attracting more customers and since they do not encounter any problems with regard to this practice.

Cost-based pricing is their marketing practices in terms of price. This is shown in the results, as there are more owners who prefer to price their product using cost-based than based on competition.

As to place, the business is accessible and convenient to customers and the surrounding is clean are the respondents practices as it also attained their business objectives.

As to promotion, only plain product display and inviting customers directly are the practices of the respondents due to lack of capital and lack of knowledge about promotional strategies which as a results constraint them to promote their product using this promotional tools. However, the use of plain product display and inviting customers directly as their promotional tool increases the number of product sold.



Table 9. Assessment on the perceived best marketing practices

PARTICULARS	WEIGHTED MEAN	DESCRIPTION
Product		
The consumers always patronize the product.	3.67	Agree
Price		
The price of the product maximizes the profit.	3.97	Agree
Place		
The eatery is accessible and convenient to the customers	3.97	Agree
Promotion		
There is increase in the number of customers	3.4	Undecided
There is increase in the number of product sold.	3.87	Agree
The cost of promotion is within the allowable budget	3.13	Undecided

LEGEND: 1-1.8- Strongly disagree

1.9-2.6- Disagree

2.7-3.4- Undecided

3.5-4.2- Agree

4.3-5- Strongly agree



SUMMARY, CONCLUSION AND RECOMMENDATION

Summary

The study was conducted to determine the objectives, marketing practices, and marketing problems of the eatery business in Tuba, Benguet. It also aimed to assess the perceived best marketing practices of the business.

A survey questionnaire was used to gather necessary data from the owners of eatery business as the respondents. Personal interview was also done to supplement the data gathered.

The results revealed that there are more sole proprietorship forms of business than partnership.

Majority of the respondent's source of capital is from their own pockets, but there are some owners who sourced their capital from external sources and it was observed that these owners sourced their capital from their family, friends and relatives which accordingly offers lower interest than the formal sources and sometimes no interest at all. Moreover, the borrowers from the formal sources like banks and the cooperatives yet prefer to borrow from cooperatives as it entails lower interest than banks.

Most (83.3%) of the respondent's objective in terms of product is offering safe and clean food, while in pricing almost all (93.3%) the respondent's objective is to maximize their profit. In addition, in terms of place most (90%) of the respondent's objective is to have a location that is safe and clean and lastly most (80%) of the respondent's objective in terms of promotion is to encourage the customers to keep patronizing the menu items or enterprise.



The marketing practices are measured into scale of five; (5)-always, (4)-often, (3)-sometimes, (2)-rarely and (1)-never. Some of the respondents always practice some of the given product offerings, majority of them have their own facilities and amenities. Furthermore, they are rarely in offering other services like catering, take-out and free food for bus, jeep and van drivers and/or operators.

In terms of pricing practices of the owners, they often adopt competition-based pricing and cost-based pricing, but sometimes they are pricing their product based on their target rate of return on investment and giving discounts to the customers.

In terms of place, the target market of the respondents are often the passengers and drivers, but sometimes their customers include the resident and anyone, on the other hand, the respondents rarely make internal arrangement with the bus, jeep, and van drivers and/or operators and rarely practice free delivery.

In terms of promotion, they never promote their product using flyers, coupon, posters and newspapers, but sometimes they are using tarpaulin. Moreover, they are always promoting their product using plain product display and inviting customers directly.

The marketing problems in terms of product offering are always the offering of the same menu and limited menu items. In addition in terms of offering the services the problems encountered involved the inadequacy of parking space.

The pricing problems include the price being not affordable to some customers and price competition.

Lack of capital is their problems in terms of promotion. Moreover, the high cost of promotion, lack of knowledge about the promotional strategies and inaccessibility of promotional media are also encountered.



Majority of the respondents agree to the assessment on the perceived best marketing strategy in terms of product, price, place, and promotion. In terms of promotion the respondents agreed that the promotional tools used increased the number of product sold however they are undecided whether the cost of promotion is within their allowable budget.

Conclusions

Based on the findings, the following conclusions were drawn;

1. The respondent's objective in terms of product is offering safe and clean food, while in pricing is to maximize their profit. In addition, in terms of place m is to have a location that is safe and clean and lastly in terms of promotion is to encourage the customers to keep patronizing the items or enterprise;
2. Some of the respondents always practice some of the given product offerings, majority of them have their own facilities and amenities. Furthermore, they are rarely in offering other services like catering, take-out and free food for bus, jeep and van drivers and/or operators;
3. The respondents are often adopt competition-based pricing and cost-based pricing, but sometimes they are pricing their product based on their target rate of return on investment and giving discounts to the customers;
4. The respondents target market are often the passengers and drivers, but sometimes their customers include the residents and anyone, on the other hand, the respondents rarely make internal arrangement with the bus, jeep, and van drivers and/or operators and rarely practice free delivery;



5. The respondents never promote their product using flyers, coupon, posters and newspapers, but sometimes they are using tarpaulin. Moreover, they are always promoting their product using plain product display and inviting customers directly;

6. The respondents marketing problems are always offering the same menu and limited menu items. Furthermore, almost all of the eatery businesses are not offering other services like catering and free delivery;

7. Some of the area where the businesses are located has fewer customers; and,

8. Some eatery owners are not using any promotional tool in promoting their product which could be due to lack of capital to promote their product. And moreover, due to lack of information on promotional strategies.

Recommendations

1. The owners should get more information about cooking recipes to come up with new dishes;

2. They should come-up with a new marketing strategy such as offering unlimited rice and giving discount in order for them to attract more customers;

3. The managers should look for more strategic places since location is very important factors in making sales;

4. The manager must therefore plan a selling strategy that involves the promotional tools of personal selling, advertising, publicity and sales promotion;

5. The business owners could look for sources of capital offering low interest in order to have available funds to finance the operation of their business; and,



6. The business owners should seek assistance from the different government agencies like the Department of Trade and Industry (DTI), and Department of Tourism (DOT) regarding support or assistance offered to micro-enterprise. However, these business owners should comply with the basic and legal requirements of these agencies in order to avail of whatever services they may opt to regarding improving their business operations.



LITERATURE CITED

- ANDERSON, C. AND VINCZE, J. 2000. Strategic Marketing Management. USA. Pp.11, 62, 4, 11-13.
- CARSON R. B. 1985. Enterprise An Introduction to Business. USA. Pp.245-246.
- DALISAY A. 1975. Agriculture and Rural Development in the Philippines. Manila: UP Publication. P.5.
- ELBERT, R. AND GREFFIN, R. 2000. Business Essential., New Jersey: Prentice Hall, Pp. 247-263.
- FERREL, Q.C AND HIRT, G. 2000. Business a Changing World, Third edition. USA. Pp. 4-5,331.
- JURADO, T.M, AND LLANES, V.A. 1982. Marketing Principles and Practice. Pp.112-305.
- LIM, M.T. 1985. Industry Analysis for Business Policy and Planning. Manila: Sinangtala Publishers, Inc. Pp.605-606.
- MAHMOOD, Q.1996. Advertising Strategies of Two Automobile Manufacturing Companies in the Philippines. Unpublished Thesis. Baguio College Foundation. Gov. Pack Road, Baguio City, CHED- CAR. Pp.18-19.
- PAYNE- PALACIO, J AND THEIS, M. 2003. West and Woods Introduction to Foods Services. Prentice Hall. Pp. 86, 87, 97.
- RUE, L.W. AND HOLLAND, P.G. 1986. Strategies Management Concepts and Experiences. Pp. 553-554
- SNODGRASS, M.M AND WALLACE, L.T. 1975. Agriculture, Economics and Resource Management, New Jersey: Prentice Hall, Pp.324-325.
- ZIKMUND, W. AND D' AMICO, M. 2002. Effective Marketing, USA. Pp.9-13.

