

Marketing practices of micro food vendors in the five municipalities of the province of Surigao del Sur, Philippine

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Abstract: The study evaluates the marketing practices of micro food vendors in the five municipalities of the province of Surigao del Sur, Philippines, conducted last December 2015 - January 2016. A total of 134 micro food vendors were considered as respondents. Self-made questionnaire was given to the respondents accompanied by formal interview to validate answers. Result of the study revealed that majority of them was at ages ranges 36-45 yrs old, female, married and have been in the business three years and below, a sole proprietor with none to three number of workers. As to their start-up capital most of them started with a three thousand pesos capital or less which are taken either from their savings or from loans. In terms of marketing practices, result showed that most of the products were fresh however the price was based on their desired profit and majority position in the public areas. Promotion is not practiced. Recommendations include provision of training for the micro food vendors on basic marketing practices to improve their profit.

Key words: Marketing practices; Product; Price; Place; Promotion; Micro-entrepreneur

1. Introduction

This study evaluated current marketing practices of micro food vendors in the five municipalities of Surigao del Sur, Philippines, namely; Carrascal, Cantilan, Madrid, Carmen, Lanuza (CarCanMadCarLan). A micro food vendor includes those who sell inexpensive, ready-to-eat food and local delicacies in the streets, or in small restaurants. There is no universal definition for micro food vendors and therefore, the definition varies from country to country. Generally, micro food vendors own their business, employ low skill levels of workers and demand intensive labour. Presently, the status of micro food vendors is still growing and developing.

A study conducted by the Department of Trade and Industry (2011) showed that 99.7% of businesses in the country are micro, small and medium enterprises. These people provide many services and benefits that the rest of their countrymen take for granted. Another major benefit that micro-entrepreneurs provide is employment to those who would otherwise not be employed in larger companies because of their lack of qualifications. They stimulate economic development in rural and far-flung areas. They serve as valuable partners to large enterprises as suppliers and providers of support services (SEPO, 2012).

In this business world, success largely depends on a number of factors including marketing practices. It is important for our micro entrepreneurs to be knowledgeable enough about

developing a good marketing mix that includes the 4 P's; product, price, place and promotion. A study conducted by Parilla (2013) indicated that micro entrepreneurs do not observe marketing practices which may be crucial to their operations. They do not know the importance of marketing in managing their enterprises. According to Kotler (2000) marketing practices are important in managing the enterprise since it involves all the activities in providing customer satisfaction and facilitating the exchange goods from the enterprise to its customers and eventually building a strong customer base. Marketing practice as used in the context of this paper is synonymous with strategy. Adeleke, Ogundele and Oyenuga (2008) define strategy as the pattern of major objectives, purposes or goals and essential policies and plans for achieving those goals, stated in such a way as to define what business one is into or is engaged in.

Despite their to the country's economy, many micro-entrepreneurs lack resources and support, especially from the government. Most of them face the challenges of a highly competitive market and the lack of capital and other resources and business know-how. This study would be of great help to the micro food entrepreneurs in the five municipalities of Surigao del Sur. Intervention like university extension activities would be conducted to facilitate and train the micro food vendors.

2. Objectives

1. Determine the demographic and business profile of micro food vendors in five municipalities of Surigao del Sur.

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2. Know micro food vendors marketing practices as to product, price, methods of promotion and place/location.

3. Materials and method

A survey was conducted to evaluate the current marketing practices used by the respondents. A self-made questionnaire was the main tool for the data gathering and a formal interview to validate the answers. Questions are made simple and easy to understand and provided with various possible answers for schematic recording. The data were directly collected from the respondents. The study was undertaken in the five Municipalities of the province of Surigao del Sur, Philippines from December 2015 to January 2016 covering total micro food vendors of 134 as respondents. The utilization of 134 micro food vendors as respondents helped acquire pertinent and relevant data to satisfy the information sought in this study.

Simple percentage was used to calculate the demographic and business profile of the respondents and weighted mean for the level of marketing practices in terms of product, price, methods of promotion and place. The following scale and qualitative description served as guide:

Weight	Range	Qualitative Description
4	3.26- 4.00	Highly Practiced
3	2.51- 3.25	Moderately Practiced
2	1.76 -2.50	Less Practiced
1	1.00 -1.75	Not Practiced

4. Result

The demographic profile of the micro food vendors in Carrascal, Cantilan, Madrid, Carmen and Lanuza (CarCanMadCarLan), Surigao del Sur, Philippines is shown in Table 1. On the age level of the micro food vendors most of the respondents are within the 36-45 years age range which comprise got the highest percentage. This was followed by those within the 46- 55 years bracket with thirty four percent (34%), and fourteen percent (14%) within at the age of 26-35 years old, twelve percent (12%) for 56 years old and above and some three percent (3%) was at the age of below 25 years old. Findings revealed that majority of the respondents are already in their middle age to maturity age. The result also showed that the population of food vendors is female dominated (91%) with the male comprising only 9% of the group.

In terms of civil status, seventy percent (70%) are married, fifteen percent (15%) are single and another fifteen percent (15%) widow/er. This implies that majority of the micro food vendors are married and have greater responsibility to their family. As to their highest educational attainment, forty three percent (43%) is high school level/graduate, followed by college level/graduate (33%), then elementary level/graduate (21%) and only three percent (3 %) has not gone to school.

Table 1: Demographic profile of micro food vendors

Particulars	Percentage (%)
Age	
Below 25 yrs. Old	3
26-35 yrs. Old	14
36-45 yrs. Old	37
46-55 yrs. Old	34
56 yrs old and above	12
Sex	
Male	9
Female	91
Civil Status	
Single	15
Married	70
Widow/er	15
None	3
Educational Attainment	
Elementary	21
High School	43
College	33

Table 2 shows the business profile of the micro food vendors it revealed that majority or thirty nine percent (39%) have been in the business for a maximum of 3 years. This indicates that most of the micro food vendors in the area were just new in this venture. Another twenty two percent (22%) have been in business of 11 years and above, and considered as already stable; and twenty one percent (21%) have been in business for 4 – 7 years; while eighteen percent (18%) have been in the business for 8-11 years as food vendor. However, about ninety four percent (94%) of micro food vendors are categorized under sole proprietorship, only three percent (3%) belong to corporation and artnership. Forty six percent (46%) of them do not have workers and likewise forty six percent (46%) have 1-3 number of workers only, while the rest of eight percent (8%) has 4-7 workers. As to the start-up capital most of them or seventy nine percent (79%) started with a capital of 3,000.00 pesos or below, twelve percent (12%) with of 3,001.00 to 6,000.00 pesos; and nine percent (9%) started with a capital of 6,001.00 to 9,000.00 pesos only. Fifty one percent (51%) of these acquired their capital from savings and forty three percent (43%) acquired from loans while three percent (3%) got from a combination of savings and loan. Furthermore, the table also shows their annual average income, with seventy three percent (73%) earning a maximum of 10,000.00 pesos.

This implies that micro food vendors only realized minimal sales since their capital is also limited. Twelve percent (12%) says that their average annual sale is above 30,001 pesos.

Table 3 depicts the level of marketing practices of micro food vendors in terms of product, price, methods of promotion and place (4P's).

As to the product, the result revealed that the product must be fresh as it obviously obtained the highest average mean of 3.28 described qualitatively as highly practiced. This implies that micro food vendors in the area ensure that their products are fresh.

Table 2: Business profile of the micro food vendors

Particular	Percentage (%)
Years of Existence	
Below 3 yrs.	39
4 - 7 yrs.	21
8-11 yrs.	18
Above 11 yrs.	22
Types of Ownership	
Sole Proprietorship	94
Corporation	3
Partnership	3
Cooperative	0
Numbers of Worker's	
None	46
1-3	46
4-7	8
8-11	0

Above11	0
Start- up Capital (peso)	
Below P3,000.00	79
P3,001.00-6,000.00	12
P6,001.00-9,000.00	9
P9,001.00- above	0
Source of Capital	
Savings	51
Loan	43
Combination	6
Average annual Sales	
Below P10,000.00	73
P10,001.00 - 20,000.00	6
P20,001.00 - 30,000.00	9
Above P30,001.00	12

Table 3: Level of marketing practices of the micro food vendors in terms of product, price, promotion and place

Marketing Practices	Weighted Mean	Qualitative Description
A. Product		
Produce based on customer preference.	2.46	Less Practice
Produce based on the availability of raw materials.	2.67	Moderately Practice
Products are fresh.	3.28	Highly Practice
Product produce base on order/order base	2.70	Moderately Practice
Improve the product continuously	2.64	Moderately Practice
Over all	2.75	Moderately Practice
B. Price		
Sets price prevailing in the market	2.59	Moderately Practice
Sets price depending on terms of payment	2.59	Moderately Practice
Sets price based on desired profit	3.37	Highly Practice
Sets price based on competitors	2.54	Moderately Practice
Sets price based on cost	2.68	Moderately Practice
Setting the price based on the demand	2.57	Moderately Practice
Over all	2.72	Moderately Practice
C. Methods of Promotion		
Advertise its products (tarpaulin, radio etc.)	1.08	Not Practice
Seeks help of middlemen	1.97	Less Practice
Innovate attractive packaging	1.17	Not Practice
Designs packaging to suits customer budget	1.29	Not Practice
Gives discounts to loyal customer or to those who buys in bulks	2.49	Less Practice
Designs packaging for customer's convenience	1.34	Not Practice
Promote by using social media	2.09	Less Practice
Over all	1.63	Not Practice
D. Place		
Product are position in the public areas (market, Schools, Plaza, terminal)	3.12	Moderately Practiced
Products are displayed in the home/home-based	2.39	Less Practice
Over all	2.75	Moderately Practice
$\sum x$ and Qualitative Description	2.46	Less Practice

Product according to Ogundeji Jolasinmi Kayode Ogundele (2013) is the starting point and most important component of marketing mix. This is because the price, the promotion and the channel are all about the product. It is to be noted that the listed marketing practices around the product are intended to ensure that the product gain customers' acceptance and loyalty. Meanwhile, produce on the availability of raw materials, on order and improved product continuously have the same qualitative description of moderately practiced but with varying average means of 2.67, 2.70 and 2.64 respectively. Produced base on customer preference was less practiced with an average mean of 2.46. The over-all response of the respondents on the level of

marketing practices in terms of product was interpreted moderately practiced (2.75).

However, in terms of price the respondents highly practiced setting their price based on their desired profit with the highest average mean of 3.37, while setting the price prevailing in the market and setting the price depending on terms of payment has the same average mean of 2.59 means moderately practiced; Also moderately practiced in setting the price based on competitor (2.54), based on cost (2.68), and based on the demand (2.57). The over-all average mean on the level of marketing practices in terms of setting the price was 2.72 moderately practiced. Abou-Moghli & Al Abdallah (2010) states that price is one of the important variables in

marketing because prices affect the demand on the products and the way they are introduced into the markets. From the customer's point of view, price expresses the cost of getting the product; meanwhile, from investors' point of view it means the amount that could be gained from the consumer in return for the sale of a certain product (Yousuf, 2002).

In terms of the methods of promotion, seeks help of middlemen, giving discounts to loyal customers or those who buy in bulk and promoting through social media are less practiced 1.97, 2.49 and 2.09. However, not practiced on innovate attractive package (1.17), designs packaging that suits to customer budget (1.29), designed packaging for customer convenience (1.34) and majority of the respondents do not practice advertising their products either through radio or tarpaulin. This got the lowest average mean of 1.08. The over-all perception of the respondents on the level of marketing practices in terms of method of promotion was qualitatively interpreted as not practiced. The respondents have overlooked the importance of product promotion that can result to increased sales in the market.

As to the place, it can be seen that the respondents display products in public areas such as public markets, schools, plaza or even in public terminals. This finding obtained the highest average mean of 3.12 and described as moderately practiced. Selection of the suitable place is deemed one of the most important factors upon which will depend the success of the business. Only an average mean of 2.39 indicates that displaying products at home is less practiced.

The over-all average mean as to the level of marketing practices in terms of product, price, method of promotion and place was 2.46. This result implies that the respondents were not yet fully aware of the importance of marketing practices that involves the 4P's which lead to satisfying customer and eventually building a strong customer base that could give a competitive advantage.

5. Conclusion

The result of the study indicated that most of the micro food vendors were at the age ranges 36-45 yrs. old, female, married and at least high school level/graduate. Majority of them have been in business for less than 3 years, are sole proprietors with none or 1-3 number of workers and with a start-up capital of 3,000.00 pesos or below acquired from either savings or from loans. For marketing practices, respondents highly practiced ensuring that their product are fresh and sets price based on desired profit. However, in the methods of promotion respondent did not practice advertising,

innovating attractive packaging, and designing packaging to suits customer budget and convenience. Careful selection of place is moderately practiced by the respondent such that their product was positioned in public areas.

6. Recommendation

Based on the findings and conclusions of the study, it is therefore recommended that the micro food entrepreneur need to undergo training on the 4 P's, especially on the methods of promotion. Micro food vendors should realize the importance of promotion.

Training in this aspects should be conducted to facilitate the knowledge of respondents in dealing with business and help them learn how to develop and improve their profit to create a more desirable community.

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