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## Research Article

### Marketing Practices Among Sari-Sari Stores in Dapitan City: Basis for Proposed Extension Program

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#### ABSTRACT

This study aimed to determine the different marketing practices employed among sari-sari store owners in Dapitan City during the Calendar Year 2020. It used a descriptive research method utilizing a questionnaire as the principal tool for gathering data. The data were statistically treated using frequency counting, percent, weighted mean, standard deviation, and Mann-Whitney Test. The study's findings revealed that sari-sari store owners in Dapitan City had the same marketing practices focusing on process and people. Customers of the sari-sari stores had the same observation on the marketing practices of sari-sari store owners in Dapitan City, which focus on people and place. It was found that sari-sari store owners and customers had different perspectives or views on marketing practices. It was recommended that sari-sari store owners and potential sari-sari store owners attend training and seminars aiming to improve their marketing practices in coordination with the Department of Trade and Industry and the Local Government Unit of Dapitan. Further, customers are encouraged to give their feedback on the marketing practices of the sari-sari store owners, and researchers are encouraged to conduct a separate study on this matter.

**Keywords:** *Marketing Practices, Sari-Sari Store*

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#### Introduction

Marketing practices play a significant role in establishing and maintaining contacts between a business establishment and its markets. A business establishment needs to compete in a highly competitive and volatile market. It is valid in all types of business endeavors. Gleeson (2019) pointed out that marketing is not simply an essential part of business success; it is the business itself. Everything else in

the industry, whether how big or small in terms of capitalization, depends upon marketing. It is noted that the term "marketing" covers many different activities associated with selling the business products or services.

Discussing particularly on micro-business establishment, a sari-sari store is a micro-scale store that provides daily necessities, food, and drinks and is ubiquitous in the Philippine urban areas and villages. Owners of sari-sari stores

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rely on the purchasing power of supply to conduct business and cater to the base of the pyramid market successfully (Funahashi, 2013). As time passed, sari-sari stores mushroomed practically everywhere in the Philippines. The endless needs and wants of people are still growing. Most people spend their money on buying any goods or products for the fulfillment of the daily requirements in their lives. The sari-sari store phenomenon is here to stay, and it is one, if not the primary source of revenue for many Filipino families.

According to Porter's five forces analysis, the sari-sari store industry faces relatively high competition due to an increased threat of new entrants due to the low barrier to entry. When there are several competitors, products can be easily substituted, and customer loyalty is low; these are indicators of intense competition. (Jurevicius, 2013). Sari-sari stores are still a popular business, with one sari-sari store for every 100 people (Castro, 2016) and that it accounts for 30% to 40% of the Philippines' total retail sales (Lorenciana, 2014). However, sari-sari stores are finding it difficult to compete, primarily if they are located in a rural community, because stores are increasing, getting closer together, and the market area for each retailer is getting smaller. Because a single sari-sari store may have similar products to others in demand, customer loyalty is low. Products can easily be substituted because others may choose those more convenient for them. Meanwhile, new entrants pose a significant threat due to low entry barriers such as capital and legal requirements. (Jurevicius, 2013).

Mushrooming of sari-sari stores in the community connotes steep business competition as a large number of sari-sari stores share only a limited market. The proliferation of 24/7 convenient stores competing on a narrow market augmented the situation. This condition is detrimental to the aim of every sari-sari store owner, which is the longevity of their business operation. The mushrooming of sari-sari stores was also experienced in Dapitan City. With the limited market in the community, sari-sari stores can be found adjacent or beside each other and selling more likely the same products. The said condition can be construed as beneficial and detrimental to the community. It

is valuable in that business competition is very much healthy and active, while harmful in that it deter sari-sari store owner's aim of business operation longevity. It is a settled fact that marketing practices play a vital, pivotal, and essential role in any business's survival.

Marketing and marketing practice is the lifeblood of every business and a vital aspect of building a fit business that thrives amidst competition and adversity (Arroyo, 2020). It is thought to be crucial in the business process. Any business needs proper marketing to grow and reach its target market, buyers, and the people for whom such goods are intended (Alusen, 2018). Furthermore, marketing for small-scale businesses such as sari-sari stores is critical because these are generic businesses that must be known to gain sales and patronage. The success of these businesses depends on the owners' marketing abilities and efforts to keep the business competitive (Sims, 2013).

It was for this purpose that the researcher aimed to study the marketing practices employed among sari-sari store owners in Dapitan City purposely to have a basis for an extension program to the different sari-sari store owners on the ideal marketing practice that will increase the chances of business longevity, during the calendar year 2020.

### Theoretical/Conceptual Framework

This study was primarily anchored on the concept of **7 P's Marketing Mix** derived from the **4 P's Marketing Mix (Product, Price, Place, and Promotion)** of McCarthy (1960) and the **extended 3 P's of Service Mix (Participants, Physical Evidence and Process)** by Booms & Pitner (1981). According to some, the marketing mix is a critical foundation upon which marketing practices, strategies, and business activities are built. It is critical to the success of businesses of all sizes because it addresses the market's most important factors. Recognizing the competitive marketplace and ensuring you can capitalize on significant trends, reaching buyers with the appropriate product at the right price, place, and time are all critical (Anjani, Irham & Waluyati, 2018). In assessing the marketing mix practiced by the sari-sari store owners, the researcher uses the concept of customer loyalty. Customer loyalty

as profoundly held by the customer, a commitment to re-buy or to re-patronize a preferred product or service in the future, thus causing repetitive same-brand or same brand-set purchasing. Consumer loyalty is a deep commitment to repurchase or subscribe to a product or service consistently for the future and not be affected by the existing environment or existing efforts or marketing efforts carried out, as well as other things that have the potential to move customers to competing companies (Zulhit, Yasri & Abror, 2018).

Further, marketing mix combines market activities for specific goods or services over a period and in a particular market. Marketing strategy is related to creating a marketing mix that enables a business to achieve its objectives in the targeted market. As consumers' behavior changes, the marketing mix is not only concerned with 4P but also developed into 7P (Harrington, Ottenbacher & Fauser, 2017). It is widely acknowledged to be one of the most important aspects of the marketing process. It is critical to creating value and satisfaction for the customer. In particular, the marketing mix operates as the leading force when meeting customers' demands and creating a long, profitable relationship with them. The traditional theoretical framework concerning the marketing-management process activities is based on the marketing mix concept (Festa, Cuomo, Metallo, & Festa, 2016).

## Methodology

This study used the descriptive-survey method of research in quantitative approach and utilized two (2) sets of questionnaires as instruments of data collection. The first set of questionnaires was used for sari-sari store owners, while the second set was used for sari-sari store customers. Moreover, each set of the questionnaire is composed of two (2) parts. The first part calls for the profile used in the

questionnaire to assess the sari-sari store owners' marketing practices based on the study of Alusen (2018), which yielded a Cronbach's Alpha value of 0.762. On the other hand, the sari-sari store customers' assessment was based on Zulhit et al. (2018). Likewise, the second part calls for the assessment of the customers on the marketing practices of the sari-sari store owners. The items on the questionnaire were based on the questionnaire from the study of Alusen (2018), Rathod (2016), and from Zulhit et al. (2018), which all had a reliable instrument based on Cronbach's Alpha Analysis. Remarkably, both approved questionnaires were translated to the vernacular (Visayan), and the same was used in the data gathering.

The respondents of this study were limited to the selected forty (40) sari-sari store owners, evenly distributed among the eight (8) subjected principal barangays of Dapitan City. Further, there were five (5) customers per subjected sari-sari store who assessed the marketing practices of the owner with an overall total of two hundred (200) customers for the forty (40) selected sari-sari stores. The data were treated using frequency count and percent, weighted mean, standard deviation, and Mann-Whitney Test.

## Results

### *Profile of the Sari-Sari Store Owner-Respondents*

Most sari-sari store owners were females, 50 years old and above, married, high school level/graduate, and operating sari-sari store business for more than one year but lower than five years.

### *Profile of the Sari-Sari Store Customer-Respondents*

Most of the sari-sari store customers were females, aged 19-25, single, and bachelor's degree holders.

*Table 1. Summary of the Marketing Practices of Sari-Sari Store Owners*

Indicators	Mean	SD	Description
Product	2.82	0.778	Practiced
Price	2.49	0.833	Fairly Practiced
Place	3.32	0.746	Highly Practiced
Promotion	2.69	0.956	Practiced

Indicators	Mean	SD	Description
People	3.54	0.645	Highly Practiced
Process	3.56	0.671	Highly Practiced
Physical Evidence	3.02	0.901	Practiced
<b>Overall Mean &amp; SD</b>	<b>3.06</b>	<b>0.790</b>	<b>Practiced</b>

Table 1 summarizes the marketing practices of sari-sari store owners in Dapitan City. The table pointed out that most of the respondents' marketing practices revolved in the context of process, which was highly practiced having a mean of 3.56, as compared to price, which was fairly practiced among the respondents. The overall mean on the marketing practices of sari-sari store owners in Dapitan City was 3.06, verbally interpreted as "Practiced". Thus, it can be construed that sari-sari store owners in Dapitan City used the different aspects of marketing practices in their business engagements, transactions, and dealings, aiming to improve their image as a store to increase profitability. However, the marketing practices involving the process and people were among the most common and highly practiced among these sari-sari store owners. These findings imply that sari-sari store owners in Dapitan City highly practiced being responsive and attentive to their customers and ensuring equality in their dealings.

Samani, Toroujeni, and Shahbazi (2017) supported the findings, highlighting that prioritizing process and people focus marketing practices help improve the business establish-

ments' image to attract more customers. Further, Amofah, Gyamfi, and Tutu (2016) pointed out that process and people as a marketing practice significantly impacted customers' decisions to repeat purchases, eventually leading to profitability.

In retrospect, Pomeroy (2017) averred that process as a marketing practice embraces the service delivery and operating systems and are the actual procedures, mechanisms, and flow of activities by which the service is delivered. Highly practicing equality of treatment to customers, regardless of socioeconomic and political stature, potentially led to customer satisfaction and loyalty (Manaois, 2016; Zulhit et al., 2018). According to Pomeroy (2017), people marketing includes human actors who play a significant role in service delivery and thus influence the buyer's perceptions: the store's owner and personnel, the customer, and other customers in the service environment. Highly practicing being attentive and responsive to customers' needs is beneficial and essential so that the sari-sari store can gain a competitive advantage over its competitors and avoid the same to plunge into failure (Umeze & Ohen, 2015; Al Badi, 2018).

*Table 2. Summary of the Customer's Perception on the Marketing Practices of Sari-Sari Store Owners*

Indicators	Mean	SD	Description
Product	2.80	0.781	Practiced
Price	2.40	0.875	Fairly Practiced
Place	3.14	0.819	Practiced
Promotion	2.60	0.966	Practiced
People	3.17	0.744	Practiced
Process	3.09	0.658	Practiced
Physical Evidence	2.48	0.856	Fairly Practiced
<b>Overall Mean &amp; SD</b>	<b>2.81</b>	<b>0.814</b>	<b>Practiced</b>

Table 2 summarizes the customers' perception of the marketing practices of sari-sari store owners. As shown, most of the respondents favored people, having a mean of 3.17, which is verbally interpreted as

"Practiced", followed by place, which garnered a mean of 3.14 with verbal interpretation, "Practiced" as compared to price having a mean of 2.40, verbally interpreted as "Fairly Practiced". The overall mean on this aspect was

2.81, verbally interpreted as "Practiced". Thus, it can be construed that customers' perception of the marketing practices of sari-sari store owners in Dapitan City revolved primarily on the aspect of people and place. It is worth noting that people element connotes being courteous to stores' customers, and place element connotes sari-sari store must be proximate to or near the neighborhood.

The result was confirmed in Anjani et al. (2018), focusing on the fact that having people element at paramount means that traders'

friendliness, enthusiasm, and honesty is the hallmark in the market. Also, having place element at the highest connotes that the place or location of the establishment places closer to home. Such conditions led to consumer loyalty. Khodaparasti et al. (2015) pointed out that the ranking of the different marketing mixes reflects how the owners address the significant challenges they met during their business operations. Such choice is dynamic and appropriate as it is the foundation for all marketing activities engaged by the business owners.

*Table 3. Test of Difference between the Sari-Sari Store Owners' Marketing Practices and the Customers' Perceived Marketing Practices of Sari-Sari Store Owners*

<b>Variables</b>	<b>Means</b>	<b>U-value</b>	<b>p-value @0.05</b>	<b>Interpretation</b>
Sari-Sari Store Owners' Marketing Practices & Customers' Perceived Marketing Practices	3.06 2.81	2317.00	0.000	Significant

Table 3 presents the test of the difference between the sari-sari store owners' marketing practices and the customers' perceived marketing practices of sari-sari store owners. Using Mann-Whitney U-Test (or Wilcoxon Rank Sum Test), it yielded a u-value of 2317.00 and a p-value of 0.000, which was lesser than the level of significance set at 0.05. This result indicated that the null hypothesis is rejected, meaning there is a significant difference between the sari-sari store owners' marketing practices and the customers' perceived marketing practices of sari-sari store owners. The data revealed that sari-sari store owners' marketing practices in Dapitan City and how customers perceived them significantly differ. Thus, sari-sari store owners and customers had different perspectives or views on marketing practices.

The finding was supported by Anderson and Zontanos (2018) and Turner and Endres (2017), averring that owners tend to emphasize customer satisfaction primarily in their marketing practices. On the other hand, customers tend to seek fulfillment in their store purchases. In that line, owners tend to apply market segmentation to address the broad context of customers' satisfaction. In this process,

a difference in perspective arises between customers and owners.

## Conclusion

Marketing practices are essential in sari-sari store operations. It aims to provide an edge of advantage over competitors as well as customers' satisfaction in line with gaining customers' repeat purchases, favorable mouth-referral, and loyalty. In that line, it was observed that the sari-sari store owners in Dapitan City had the same marketing practices, which focused on process and people. On the other hand, the sari-sari store customers' perceptions of the marketing practices of the store owners in Dapitan City highlighted people and place

In conclusion, the sari-sari store owners and their customers have different perspectives or views on marketing practices.

## Recommendations

1. It is recommended that sari-sari store owners and potential sari-sari store owners attend training and seminars to improve their marketing practices to gain customer satisfaction, which is essential in achieving longevity of business operations. Also, sari-sari

store owners are encouraged to periodically solicit customers' feedback on their marketing practices for self-assessment and improvement.

2. The Department of Trade and Industry, in coordination with the City Government Unit of Dapitan, may conduct training and seminars on marketing to sari-sari store owners purposely to give them insight into the different marketing practices and their effect on their business operations. Also, such training and seminars can be channeled to the academe for its extension program.
3. The sari-sari store customers may be encouraged to provide suggestions and feedback for the improvement of the marketing practices of the sari-sari store owners.

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