

Market Factors Affecting the Operations of Lechon Manok Enterprise in Selected Towns in Northern Samar, Philippines

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ABSTRACT

This study investigated the market factors affecting the operations of lechon manok enterprise in selected towns in Northern Samar. Results revealed that the main contributory factors affecting the operation of lechon manok is currency crises, sluggish economic growth, natural calamities, and diminishing number of customers. On the other hand, building a strong relationship with clients, no supply of chicken, frequency of buyers, lack of advertisement are the foremost problems that are encountered by the lechon manok operators.

With this, the researchers recommend that lechon manok operators should consider all the market factors affecting the operation of the lechon manok business, and use strategies to adjust with the factors that will help to sustain a better profitability of the business. Consumers should be meticulous enough in choosing and buying a lechon manok in an accredited lechon manok enterprise, for their own safety consumption. Government regulatory authorities should be consistent in supervising the different lechon manok enterprise in town, to secure that all operators are following the standard policies or guidelines used in the business. It is viable that the future investors should have enough capital in starting a lechon manok business. Studies that will involve other respondents in other towns may be conducted to provide further information on the market factors affecting the operations of lechon manok enterprises.

Keywords: operation, factors, enterprise, lechon manok

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INTRODUCTION

Filipinos can easily adapt to different food presented by the different countries. Roasted chicken or lechon manok, as translated in a Filipino dictionary, was among the top popular delicacies in the Philippines seventy years ago, it has retained its status up to now. It is prepared not only in the Philippines but also in other countries where chicken are easily grown. Moreover, lechon manok is not new to the Filipinos. It serves as a popular food choice to everyone from young to adult in all walks of life.

In Northern Samar alone, a lot of lechon manok enterprises boom either from the market side or in the car line areas. It only shows that Northern Samarons prefer to eat this delicacy. As reflected in the research of (Choachuy, 2009), it is loved by nine out of ten Filipino individuals because of its simplicity in cooking, yet appetizing in taste, not only that, it mirrors the creative minds of the natives in terms of food cooking, but it also symbolizes the Philippine culture during the Spanish times up to this present generation where roasted chicken is served with twists in ingredients and presentation.

The lechon manok enterprise in Northern Samar are increasing due to the demand of the people. Hence, these

observations prompted the researchers to conduct this study. The lechon manok owners/operators may help to identify the marketing factors that hinder the progress of their lechon manok enterprise, and guide them to improve their business to succeed, further study hopes to gather information needed by the researchers.

METHODOLOGY

The study was conducted in selected municipalities of Northern Samar namely: Catarman, Bobon, Pambujan and San Roque. This study utilized the descriptive research design. The respondents were the owner-operators of the selected lechon manok enterprise in selected municipalities.

The researchers prepared a questionnaire used in the collection of the data. It was followed and verified by personal interview in order to have accurate information.

In gathering the data, a letter request to conduct the study was made. The purpose of having this letter to legitimize the researchers' papers in conducting the study and personal interview as well. A list of the respondents were identified through a survey of the existing lechon manok enterprises.

Frequency counts and percentages were used to interpret the business profile of the lechon manok enterprises. To summarize the categorical data, frequency counts and percentages were used. In tabulating the data on market factors affecting the lechon manok enterprises and problems encountered, a Likert type scale was developed. The weighted mean of the respondents was computed to determine the market factors affecting the lechon manok enterprise and problems encountered of the lechon manok.

Ranking was used in arranging the items in the tabular presentation of the perceived market factors and problems affecting the operation of lechon manok enterprises in selected towns in Northern Samar. Items were sorted from the highest to the lowest percentage. The highest percentage was given rank 1, the rank went higher as the percentage went lower.

RESULTS AND DISCUSSION

Business Profile

Table 1 shows that out of 11 lechon manok enterprises, seven (7) or 63.64 of the total respondents have been operating their business for less than five (5) years. Moreover, two (2) or 18.18% of the respondents have been operating their business for six (6) to ten (10) years. One (1)

respondent or 9.09%, said that he has been operating for 11 years. And lastly, one (1) or 9.09% had just started operating his business for a month. The data indicated that majority of the respondents have been operating the lechon manok enterprise for less than five (5) years, which means lechon manok business is still new in Northern Samar.

As per type of business 63.64% had single proprietorship and the remaining four (4) or 36.36 had a partnership. The data indicated that majority of the respondents preferred single proprietorship type of business, which means that they manage the business and have the capital of their own.

As per estimated capital 63.64% of the total respondents, had capital ranging from P100,000 to P149,000, followed by three (3) or 27.27% having a capital ranging from P60,000 to P99,000. Lastly, one (1) or 9.09% of the respondents had a capital that ranged from P150,000 – P200,000. This means that lechon manok enterprise can somewhat survive with these amount of capitalization, as cited on benefits of a lechon baboy and lechon manok business starting any business need as selected capital to satisfy the requirements of that investment and just make some management strategies for the sustainability of the business.

Table1. Summary of lechon manok business profile

Business Profile	Frequency	Percentage (%)
<i>Years of Operation</i>		
≤ 5 years	7	63.64
6 - 10 years	2	18.18
11 years	1	9.10
Others (12 years or more)	1	9.10
TOTAL	11	100.00
<i>Business type</i>		
Single proprietorship	7	63.64
Partnership	4	36.36
TOTAL	11	100.00
<i>Capital</i>		
Php60,000 – 99,000	3	27.27
100,000 – 149,000	7	63.64
150,000 – 200,000	1	9.09
TOTAL	11	100.00

Number of employees

Majority (100%) of the respondents had one to three (1-3) employees. This indicated that the management considered labor as a part of the monthly overhead expenses which can be controlled or minimized to gain more income. If the business can limit the number of employees, expenses will be lesser.

Salary rate of employees

Seven (7) or 63.64% had a salary rate of P200 per day. Three (3) or 27.27% were on monthly basis and one (1) or 9.09% had P201-300 day. This means that majority of the respondents' salary rate per employee is P200 per day. The rate is the standard salary per day in region 8 (Summary of Current Regional Daily Minimum Wage Rate, None Agriculture, as of June 2016). But it is more on the management's decisions on the financial status of the business, if the business is doing great and his employees are hardworking, he can increase their salary. Brief and Tomlinson (1997) reward power comes from the manager ability to allot pay, praise, and other incentives among his/her employees. Good performance will earn them more money.

Table2. Business profile as to salary rate of the employee

Salary rate of employee	Frequency	Percentage (%)
Php200 per day	7	63.64
Php201 – 300 per day	1	9.09
others	3	27.27
TOTAL	11	100.00

Market Factors Affecting the Operation of Lechon Manok Enterprise

Table 3 shows the perception of the respondents on the market factors affecting the lechon manok enterprise. Currency crises ranked first, the respondents "strongly agree" on this market factor with a weighted mean of 4.54. The data indicated that one's

there is a currency crisis the producer or supplier of chickens tends to increase the price of their live chicken that is distributed to the market. Hence, the lechon manok to meet their expected profit. This scenario lessens the number of buyers due to the price increase of the product.

High lending interest rate ranked second, with a weighted mean of 4.27, respondents also “strongly agree” to this factor. This means that majority of the lechon manok operators have to borrow their capital from lending institution and cooperative, which they have to pay the interest rate.

Adverse price change of chicken ranked third, respondents “agree” to this market factor. Last in the rank was fluctuation of price of primary ingredients for lechon manok. The respondents found this market factor as having less effect on the operation of their business.

Table3. Market Factors Affecting the Lechon Manok Enterprises

Market Factors	WM	VI	Rank
Currency Crises	4.54	SA	1
High lending interest rate	4.27	SA	2
Fluctuation of primary ingredients price	3.00	MA	4
Adverse price change of chicken	4.18	A	3

(SA= strongly agree: MA= moderately agree: A= agree)

Table 4 shows the perception of the respondents on the other impediments preventing the growth of the lechon manok enterprise. Sluggish economic growth ranked first, respondents “agree” to this impediment, because if the economy is on the sluggish state, the first to be affected are those people who have a small rate of income; at this point even though they badly want to buy a delicious viand like lechon manok, they will restrain themselves from buying the lechon manok due to tight budget. The owner of lechon manok business will also be affected because their sales would decline, even though there are middle and rich people, but these people are not into lechon manok always, these people most often have health issues, in other words they would be more conscious on what kind of food to eat.

Regulatory agency ranked second while weak external position of the economy ranked third. The respondents “agree” on this impediments preventing the growth of lechon manok enterprise. One smart factor concerning the ideas of building a lechonan is that it never runs out suppliers and customers. Chicken is taken into account together of the essential wants of the estate (Profitable business, 2014).

Table4. Other impediments preventing the growth of lechon manok enterprise

Other impediments on the Growth of lechon manok enterprise	WM	VI	Rank
Sluggish economic growth	4.18	A	1
Weak external position of the country	3.45	A	3
Regulatory Agency	3.64	A	2

(SA= strongly agree: MA= moderately agree: A= agree)

Table 5 shows the contributory factors that adversely affect the lechon manok enterprises. Natural calamities like typhoon ranked first. The respondents “strongly agree” to this contributory factor because typhoon can easily contribute adverse effect to lechon manok business. The supply of chicken is affected; the operation is affected also and worst even the stall of the lechon manok might be blown away.

Adverse price change of chicken ranked second. When the supplier increase the price of their chicken, the lechon manok business got affected because the owners will also have to increase the price of their lechon manok. Once this happened, consumer will lie-low in buying lechon manok due to the increase amount of price. Hence, respondents “strongly agree” to this contributory factor. Profit as the excess of income over costs. Profitability was described as the measure of return a business creates after deducting operating costs and other expenses form income divided by inputs (Yesufu,2008)

El Nino induced drought ranked third; respondents “agreed” to this factor. Last on the rank is competition with other lechon manok enterprise. The respondents “moderately agree” that competition with other lechon manok also affected their business. It showed that competition does not adversely affected the lechon manok enterprise, as long as one has established his/her business very well and has loyal customers, the lechon manok will stay on the market.

Table5. Contributory factors adversely affecting the lechon manok enterprise

Contributing factors adversely affect the lechon manok enterprise	WM	VI	Rank
Natural calamities (eg. Typhoons)	4.54	SA	1
Adverse price change of chicken	4.34	SA	2
Competition with other lechon manok enterprise	3.34	MA	4
El Nino induced drought	4	A	3

(SA= strongly agree: MA= moderately agree: A= agree)

Table 6 shows the market factors that adversely affect the lechon manok operation. Diminishing number of customers ranked first. The respondents find this market factor adversely affect their operation due to the increasing number of lechon manok business, competition at its peak, consumer can now choose whether they want to buy from this certain stall or from the other. Hence, respondents “agree” to this factor.

Ineffective management personnel ranked second, respondents “moderately agree” to this market factor. It indicates that there are personnel who lack proper training to manage the business. An important role falls to the manager of the enterprise, who must make all efforts to improve the financial result of the company. Recognizing and understanding factors that are important at the moment is considerable challenge (Hultgren,2016).

Third rank is poor/lack of marketing plans; respondents “moderately agree” to this factor. It only indicates that they lack strategies on how they would sell their lechon manok business to the consumer. Marketing has been an effective tool and strategy for increasing the sales of a product (Jager, 2007).

Lack of support from regulating authorities ranked number four (4) and the poor product quality ranked 5; respondent both “disagree” to these two market factors. The data indicated that this two market factors did not adversely affect the lechon manok operation in the present scenario.

Table6. Market factors adversely affecting the lechon manok operation in the present scenario

Market factors adversely affecting the lechon manok operation in the present scenario	WM	VI	Rank
Diminishing number of customers	4.09	A	1
Ineffective Management personnels	2.73	MA	2
Poor/ lack of marketing plans	2.64	MA	3
Poor product quality compared to others	2.09	D	5
Lack of support from authorities	2.55	D	4

(SA= strongly agree: MA= moderately agree: A= agree: D= disagree)

Problems Encountered in the Operation of Lechon Manok

Table 7 shows the perception of the respondents on the problems encountered on the profitability of the product. Lack of advertisement ranked first; respondents “agree” to this problem. There are lechon manok enterprise which are still new in the business. Consumers still don’t know what kind of services they offered or even worst they didn’t even know that their lechon manok business is operating. The attributes of success of a business is to aggressively market one’s product which includes placing advertisement in newspaper, local radio, and doing the rounds of the companies to inform the that lechon is being offered for corporate events (Choachuy, 2009).

Lack of prospective buyer or consumer ranked second, respondents “moderately agree” to this problem. Lastly, unsuitable location of the lechon manok enterprise ranked third; respondents “disagree” to this problem because most of the lechon manok business is placed on the carline areas, and some are on the market side.

Table7. Problems encountered in Operation of Lechon Manok

Problems encountered in selling and disposal of lechon manok	WM	VI	Rank
Lack of advertisement	3.73	A	1
Lack of prospective buyer or customer	3.36	MA	2
Unsuitable location of the enterprise	2.82	D	3

(SA= strongly agree: MA= moderately agree: A= agree: D= disagree)

Table 8 show the perception of the respondents on the problems encountered to maximize profit every day. Frequency of buyers ranked first, respondents “agree” to this problem encountered.

Table8. Maximized Profit

Problems encountered to maximize profit every day	WM	VI	Rank
Frequency of buyers	3.82	A	1
Lack of order	2.91	MA	2

(SA= strongly agree: MA= moderately agree: A= agree: D= disagree)

Table 9 shows the perception of the respondents on the problems encountered in sustainability of their product. No supply of chicken ranked first, followed by strategies and diminishing of prospective buyers.

Table9. Perception of Respondents in Problems Encountered

Problems encountered in the sustainability of the product	WM	VI	Rank
No supply of chicken	3.91	A	1
Diminishing of prospect buyers	3.27	MA	3
Lack of market strategies	3.54	A	2

(SA= strongly agree: MA= moderately agree: A= agree: D= disagree)

Table 10 shows the remedial measures overcome the problems encountered by the lechon manok enterprises. Build a strong relationship with your clients ranked first. Once the owner has a good relationship to his clients, the latter will be satisfied with his services. As a businessman one must know how to take good care of his/her clients because these are the people who generate his/her income. Hence, respondents “strongly agree” to the remedial measures. The administration or the business owner or franchise owner is the one chargeable for the success of the business. (Profitable Business, 2014)

Promote your product and services offered to the public ranked second; respondents “agree” as well as form an organization with other lechon manok operators and hiring an efficient and qualified personnel. Marketing has been an effective tool and strategy for increasing the sales of a product (Jager, 2007).

Table10. Remedial measures

Remedial measures to overcome the problems encountered by the lechon manok enterprise	WM	VI	Rank
Form an organization with other lechon manok operators	3.91	A	3
Build a strong relationship with your clients	4.36	SA	1
Hire efficient and qualified personnel	3.73	A	4
Promote your product and services offered to the public	4.09	A	2

(SA= strongly agree: MA= moderately agree: A= agree: D= disagree)

CONCLUSIONS

Based on the findings of the study, it is concluded that the main market factors affecting the economic profitability are the currency crises, sluggish economic growth, natural calamities and diminishing number of customers. There are different aspects that can cause changes in the operation of the business, and the business operators must provide different means of strategies to cope with all those factors.

Furthermore, with a sufficient investment, business will be profitable. Other factors will considered such as: building a strong relationship with the clients to make more profit, promotion of the product and add-on services offered to the customers should be strengthen and formation of a lechon manok operators organization to make the enterprise more stronger.

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