CHAPTER I

Introduction and Background of the Study

Introduction

Foods is one of the basic needs of a human being. As stated by Abraham Maslow on his famous Maslow's Hierarchy of Needs it is one of the physiological needs of a human to have food, water, shelter and other basic needs of a person for him to survive. Foods varies from one country to another, and with the use of ancient trade called "barter", Philippines was used to adapt various foods from China. With this trade, varieties of foods from nearby countries are have been adapted and served in the market. Dim Sum or most commonly known as Siomai is a Chinese food that originated in Huhhot, Inner Mongolia, between the Ming and Qing dynasties of China (Teoderico, 2017).

According to an article by Salazar (2017), the Philippines is now one of the fastest growing meat eaters in the world. It incorporates the statistics on the top 10 of the quickest growing meat consuming nations, and Philippines is one of the highest growing rates. Street food often reflects traditional local cultures and offer a unique cultural experience to tourists and even to ordinary consumers (dela Cruz, Punzalan, Ramos, Reyes & Barcelon, 2013).

Dim Sum is a famous street food in the country with the embracement of siomai. Siomai is prepared from ground pork, beef, or shrimp in combination with other extenders such as carrots and then wrapped in wanton wrappers. These are usually steamed or fried before being sold (dela Cruz, Punzalan, Ramos, Reyes & Barcelon, 2013). Based on

consumer’s survey, siomai rank number one on the most preferred Dimsum delicacy that is acceptable to 95% of Filipino. (Bayeng 2013)

The Philippines is considered the franchising hub of Asia, where franchising has experienced phenomenal growth in the past decades. From only about 50 brands in the 1980s, there are now 1,000 brands franchised in the Philippines (68 percent of them home grown concepts), in five principal franchise sectors: fast food; retail clothing; cafes, confectioneries and bakeshops; hospitality and wellness; and food carts. Of the entire franchising sector, food brands make up 41 percent, service establishments 32 percent, and retail outlets 27 percent. (pretoriape.org, 2015)

From the article of Philippine daily inquirer Magapayo (2010) states that the safest way for first time entrepreneur is to go franchising. However, as stated by iFranchise Philippines (n.d), a siomai business or cart has an approximate investment price that ranges from Php 50, 000 up to almost Php 400, 000 in just the start of the business. Most Filipinos found it as a great investment to purchase a franchise of well-known siomai brands.

According to the study of Tan, et. al., (2011), franchising is considered a powerful tool for economic development. It creates thousands of enterprises as well as millions of jobs. It also helps fuel the growth of entrepreneurship.

On the other hand, some Filipinos find it difficult to invest in a franchise because it is quite pricy. And to cope with this, Filipinos thought of establishing a local siomai business from scratch with no particular investment price. Most of it was patronized due to its cheaper price than the other commercially released siomai price.

Due to this establishment of local siomai brands, several strategies were employed and applied for them to be able to compete in the milk tea market. In lined with this, they used to study the different marketing mix to be able to advertise their products.

According to Shchehula, the marketing mix is a vital part of every company is a marketing plan. The marketing mix can either be 4Ps or 7Ps sch as product; price; place; promotion; people; process and physical. The product is the item a company sells. Place or distribution refers to the physical location of a business or the ways in which the company distributes goods to customers. Price refers to the amount the company charges for its goods. Promotion is the use of advertising, public relations and personal selling to communicate benefits to targeted customers. The people component is based on the premise that people deliver services. Processes refers to the fact that services are often delivered in multiple steps over time. Physical evidence includes the visual elements, such as cleanliness, professional decorum and product packaging that customers observe in a service business. With this 7Ps of marketing a future business owner or even investors will be guided on starting and putting up money for a business and investments. And a proper marketing mix analysis can provide the enterprise with a success.

Furthermore, the use of marketing mix in order for the business to grow is no longer new in this industry. It has been established and used since 1900s by many entrepreneurs as well as business owners, up to this day marketing mix were used by businesses that already took place in the market. The usage of marketing mix helps the owners what does the product or service can be offered to a customer.

A lot of siomai stores had reached Nueva Ecija particularly in the town of Talavera that has many stalls all over the town, and those can be classified as franchised

or non-franchised. These varies in styles and marketing mix that serves the competition between siomai brands around Talavera.

Hence, this research attempts to discuss, determine, and analyze the difference between the franchised versus non-franchised siomai stores in Talavera, Nueva Ecija as well as its advantage and disadvantages in terms of the seven-marketing mix which are most commonly known as the 7Ps.

Statement of the Problem

This study aims to determine the difference of franchised and non-franchised siomai stores in Talavera, Nueva Ecija as well as its advantages and disadvantages in terms of the seven-marketing mix.

Specifically, it intended to answer the following questions:

1. How may the siomai stores be described in terms of:
    1.1. Average numbers of customers per day
    1.2. Average number of siomai sold per day
    1.3. Type of business ownership
2. How may the franchised and non-franchised siomai stores in Talavera, Nueva Ecija be described in terms of:
    2.1. Product
    2.2. Price
    2.3. Promotion
    2.4. Place
    2.5. People
    2.6. Process
    2.7. Physical Evidence
3. Is there any significant difference between the franchise and non-franchise siomai stores in Talavera, Nueva Ecija conferring the number of customers and usage of the seven-marketing mix?
4. What are the advantages of franchise and non-franchise siomai stores?
5. What are the disadvantages of franchise and non-franchise siomai stores?

Hypotheses

1. Various marketing mix post no potential effect on the advantage and disadvantage of franchised and non-franchised siomai stores in Talavera, Nueva Ecija.
2. There is a significant difference and relationship between franchised and non-franchised siomai stores in Talavera, Nueva Ecija in terms of marketing mix.
3. Identifying the pros and cons of franchised versus non-franchised siomai stores was successfully validated conferring the seven-marketing mix.

Significance of the Study

This study seeks to determine the difference of franchised and non-franchised siomai stores in Talavera, Nueva Ecija as well as its advantages and disadvantages in terms of the seven-marketing mix.

Specifically, this study would be of great value to the following:

FUTURE BUSINESS OWNERS AND INVESTORS - this will be a guide for them to know the pros and cons in marketing mix of the business.

CUSTOMERS - this will be beneficial for the customers especially to those who are interested in siomai and other street foods, this study makes customers' life comfortable from stressful hours of the day while eating siomai.

ASPIRING RESEACHERS- students with high ambitions, like becoming a businessman or having a business-related job, can get recommendations, tips, information, and lessons from this research study. It can provide a baseline information in

studying the pros and cons of franchised and non-franchised businesses conferring the seven-marketing mix.

This research study may build fresh and new information that it is possible to determine the advantages and disadvantages of franchised and non-franchised milk tea shops based on the 7P's of marketing or marketing mix.

The proposed research will serve as a guide for the ones who are interested in this field to help them construct their own knowledge and opinions by using this research as a reference, also an encouragement for them to have a deeper and better explanation for these on-going problems related to this research topic.

Conceptual Framework

This made use of the seven-marketing mix concept by Dr. Muhammad Khan (2014), which explains the element of the marketing mix. As Khan (2014) wrote, marketing mix is the most fundamental concept of marketing which is a set of controllable marketing tools that a company uses to create a desired response in the targeted market.

These are the primary ingredients of a marketing strategy, and as a means of translating marketing planning into practice. Mccarthy (1960) was first to suggest the four p's. Muala and Qurneh (2012) revealed that later on researchers by adding three more elements have explained seven elements which are their 7Ps i.e. Product, price, place, promotion, Personnel, Process and. Physical Evidence. This study explains these 7Ps, which are the elements of Marketing Mix.

In addition, in the case study to evaluate marketing mix conducted by Manaf Reawf (2018), he stated that marketing mix (MM) can be defined as controllable group of variables that the organization can use to effect on the buyer's response to product or service (Kotler, 2000), and CIM (2009) can be defined MM as a term used to describe the combination tactics used by a business to realize its goals by marketing its products or services effectively to a particular target customers group. According to the previous MM definitions, we can define MM as the combination of different marketing decision variables, strategies, and tactics used by

the organization management to market its goods and services.

Furthermore, in the study entitled: Marketing Mix Practice as a Determinant of Entrepreneurial Business Performance by Joseph Bamiduro (2011) and declares that marketing mix practice is increasingly been adopted in virtually all the sectors of the economy. Marketing mix practice has been a major determinant of any organization's short run and long run success and differential advantage in any marketing environment. The need for marketing practice by entrepreneur cannot be over emphasized. Marketing mix practice is particularly important in entrepreneurial business in Nigeria today because of the volatility, highly competitive and the turbulent nature of the Nigerian marketing environment. It suggested that adaption of marketing mix by entrepreneur will enable them to have competitive advantage and will serve as a panacea to the problems encountered in the marketing of their entrepreneurial business.

Research Paradigm

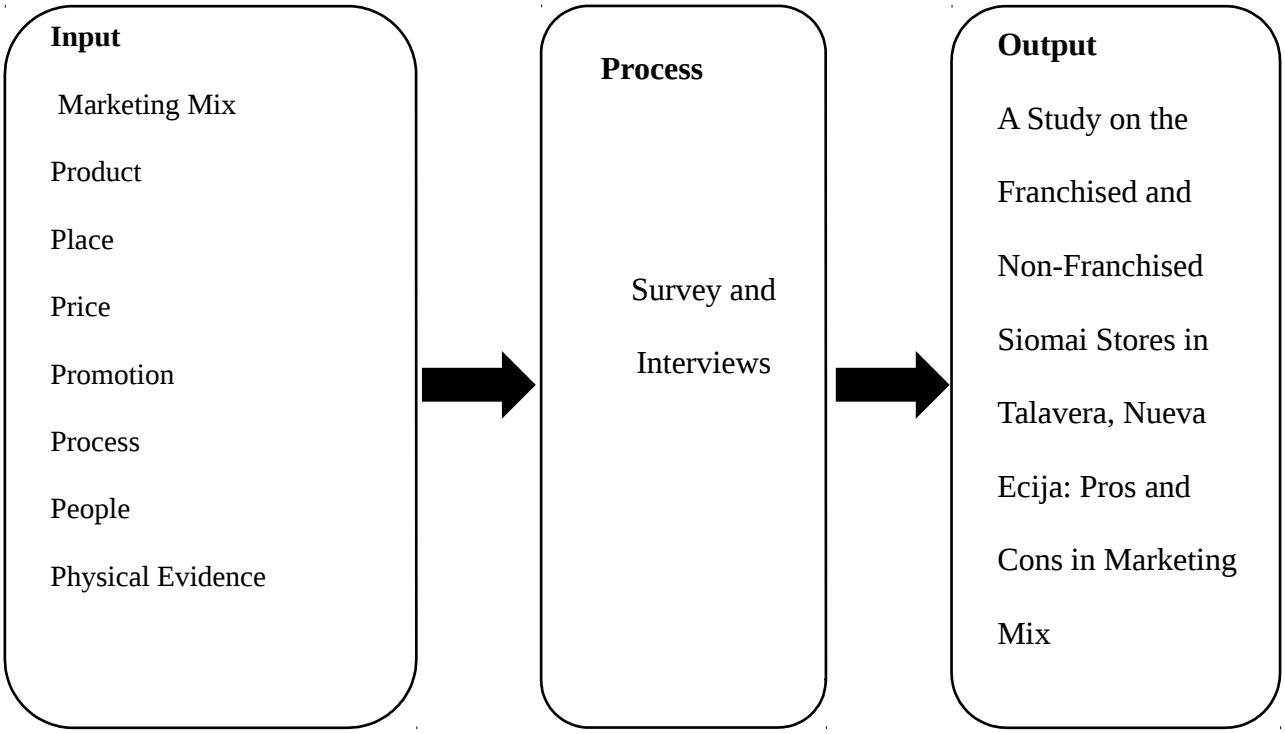


Figure 1: *Research Paradigm of the Study on the Franchised and Non-Franchised Siomai Stores in Talavera, Nueva Ecija: Pros and Cons in Marketing Mix*

The researchers input the Marketing Mix. The researchers will use Survey and Interviews to gather information. At the end of the Study the researchers aimed to know Pros and Cons of Marketing Mix on Franchised and Non-Franchised Siomai Stores in Talavera, Nueva Ecija.

Scopes and Delimitations of the Study

The study focuses only on the Franchised and Non-Franchised Siomai Stores in Talavera, Nueva Ecija; Pros and Cons in Marketing Mix. Since franchisor/franchisee are the primary costumers of the research study, these respondents who have siomai stores at Talavera, Nueva Ecija will be the respondents for this research study.

Descriptive-Comparative research design will be use in the study and will be conducted during the first semester of SY 2020-2021.

This study will be limited to seven siomai stores in Talavera, Nueva Ecija to be classified as Franchised or Non-Franchised business and to determine the pros and cons in marketing mix; product, price, place, promotion, people, process and physical evidence.

Definition of Terms

To clarify and understand the terms that are related to this study the following terms are defined conceptually and operationally.

Siomai- is the Filipino term for steamed Chinese dumplings that are usually filled with pork, occasionally shrimp. a traditional steamed Chinese pork dumpling served in dim sum

Franchise - is a type of license that grants a franchisee access to a franchisor's proprietary business knowledge, processes and trademarks, thus allowing the franchisee to sell a product or service under the franchisor's business name.

Non-franchise - Non- franchise business owners, on the other hand, mostly do all the business operations on their own, and in return they get complete control over the business and its management.

Marketing Mix - A marketing mix includes multiple areas of focus as part of a comprehensive marketing plan. The term often refers to a common classification that began as the four Ps: product, price, placement, and promotion.

Product - This represents an item or service designed to satisfy customer needs and wants. To effectively market a product or service, it's important to identify what differentiates it from competing products or services.

Price - The sale price of the product reflects what consumers are willing to pay for it. Marketing professionals need to consider costs related to research and development, manufacturing, marketing, and distribution—otherwise known as cost-based pricing.

Promotion - is the combinations of advertising, sales promotion, personal selling, direct marketing, online marketing, digital marketing and publicity that is uses to inform the customer about a particular product, service, brand even any organization or any idea to get or receive customer concentration about the company offerings.

Place - The type of product sold is important to consider when determining areas of distribution.

People - People in the workforce who is responsible to design and implement each and every strategy and policy for the purpose of achieving the organizational goals.

Process - is the combinations of some consecutive things or objects that may enable a manager to achieve a certain goal in a structured way.

Physical Evidence - is the hard copy of any transaction that is happening in the final market within the company stakeholders.

CHAPTER II

REVIEW OF RELATED LITERATURE

This chapter present cited articles and studies that are relevant to the research problem, research variables and methodologies. This includes literatures, articles and previous studies related to the present research work that will be used as guide during the writing and conduct of the research paper.

1. Siomai

Siomai is a type of dim sum. Dim sum is a typical food from China which means steamed snacks, dim sum is usually served with chili sauce for added flavor. Dim sum snacks that have a high nutritional value are usually filled with meat, chicken, fish, shrimp, fruits, and vegetables. In China, siomai are food from minced pork wrapped by skin from wheat flour which is then steamed. The popularity of dim sum in Indonesia is quite extensive, highly sought after and favored by the people of Indonesia. (Abdulmajid, Bautista, Chavez, Dimaano, & Barcelon, 2014)

Moreover, siomai is a Filipino favorite snack food that has origins in China. The Philippines has been home to Chinese immigrants for decades, probably even way before

the Spanish colonization, thus the Chinese influence will probably never disappear in our food. (bitlanders.com, 2018)

Since siomai is a well-known street food in the Philippines, as stated by Bayeng (2013), on a consumer's survey, siomai rank number one on the most preferred Dimsum delicacy that is acceptable to 95% of Filipino. In addition, on another survey by Abdulmajid, Bautista, Chavez, Dimaano, and Barcelon in 2014, the three most often consumed street vended foods available around UST were deep-fried breaded quail eggs (kwek-kwek), steamed dumpling (siomai) and grilled chickens' small intestines (isaw).

On the other hand, in a study entitles Microbiological Test of Siomai Product by Giman, Singaprwa, and Suriati in 2019, the results of this study indicate that of the 12 samples, there were 11 samples of siomai not contaminated with E. coli bacteria, and from the whole siomai samples found no contamination of Salmonella sp.

2. Marketing Mix

According to Kotler and Amstrong, (2013), marketing is defined as social process the individual or a group can get what they need and want by creating, offering and exchanging one value with each other.

As Khan (2014) referred to Riaz and Tanveer (n.d) and Goi (2011) have explained four elements which are actually 4Ps i.e. product, price, place, and promotion. Muala and Qurneh (2012) by adding three more elements have explained seven elements which are their 7Ps i.e. product, price, place, promotion, Personnel, Process and. Physical Evidence. This mix strategically places a business in the market and can be used with varying levels of force. This is to ensure the target audience is satisfied, value perception is accurate,

and to stand out from competitors. Implementing these P's in the best way you see fit for your company can become extremely beneficial, but you must completely understand each piece of the 7 P's puzzle first. (Mass Live Media, 2018)

Marketing mix is essential to know how they can maintain or improve their sale. Strategic marketing includes determining the best ways to reach the market, this is one of the reasons why milk tea shops continue to rise. (Gleeson, 2019). Most high school and college students consider milk tea as a refreshing drink that can quench their thirst. (Lee & Vega ,2014)

The more Milk Tea shops become well known in the industry, the growth of competitors will rise. The success of the business depends on how well-formulated their marketing strategy is. The uniqueness of a business' marketing strategy is a tool to get the consumers' attention to buy their product. (Pilar & Castro, 2019)

2.1. Price

According to Nakhleh (2012) price is what been given up to get a product/service. How much consumers are willing to pay fluctuate due to their different needs. Thus, the price perceptions to the same service or products may differ among individuals. Riaz and Tanveer (n.d); Goi (2011) together with Muala and Qurneh (2012) extracting from many studies quoted that price is the amount of money charged for a product or service, or the total values that consumers exchange for the benefits of having or using the product or service. It is what a customer has to pay to acquire a product, or cost of a product to a customer. Price is considered to be the most significant factor that affects consumer's choice. Price is the only variable in the marketing mix that must be set in relation to the other three Ps. Pricing is one of the most important elements of the marketing mix, as it is

the only mix, which generates a turnover for the organization. The remaining 3P's (product, place, and promotion) are the variable cost for the organization. It costs to produce and design a product; it costs to distribute a product and costs to promote it. Price must support these elements of the mix. Pricing is difficult and must reflect supply and demand relationship. Pricing a product too high or too low could mean a loss of sales for the organization. Pricing should take into account on fixed and variable costs, competition, company objectives, proposed positioning strategies, and target group and willingness to pay. Higher prices lead to higher profitability. However higher prices may increase short-term profitability, but, in the long term, it may lead to lower sales and profits thus explaining the conflicting findings. Price may serve as a substitute for selling effort, advertising, and product quality. Alternatively, price may be used to reinforce other activities in the marketing mix program. In many cases price can provide an incentive to intermediaries and company salespeople, the focus of promotional strategy, and a sign of value.

2.2. Place

Riaz & Tanveer (n.d) wrote that Place refers to the availability of the product to the targeted customers while Goi (2011) stated that place strategy refers to how an organization will distribute the product or service they are offering to the end user.

According to Goi (2011) along with Muala and Qurneh (2012) the strategy of place needs effective distribution of the firm's products among the channels of marketing like wholesalers or retailers. "A distribution system is a key external resource. An organization should pay attention to place decisions, because of the importance of the product and consumption occurring at the same time and at the same place; a place that

provides all information of customer, competition, promotion action, and marketing task. Normally it takes years to build, and it is not easily changed. It ranks it importance with key internal resources such as manufacturing, research, engineering, and field sales personnel and facilities. It represents, as well, a commitment to a set of policies and practices that constitute the basic fabric on which is woven an extensive set of long-term relationships". Placing products with endusers involves marketing channels comprised of intermediaries such as retailer. At the outset it is clear that the distribution channel is of fundamental importance to a treatment of physical distribution, because the channel is the arena within which marketing and logistics culminate into consumer transactions.

Riaz & Tanveer (n.d) expressing branding strategies for place quoted that direct channels to reach customers could be company owned stores, phone and internet selling while indirect selling could be through intermediaries such as distributors or agents. Using indirect channel, company has to give up control over distribution and selling. Company loses control over prices charged to end users, and how the product is being displayed.

2.3. Promotion

Goi (2011) along with Muala and Qurneh (2012) extracting from studies mentioned that promotion is a vital part of business and is an integral ingredient of the total marketing process. Promotion is a selling technique; to succeed in any marketing program, it should be involved with communication (promotion). Promotion is defined as sales promotion, advertising, personal selling, public relations and direct marketing It helps to make potential customers aware of the many choices available regarding products and services. A successful product or service means nothing unless the benefit of

such a service can be communicated clearly to the target market. A communication program is important in marketing strategies because it plays three vital roles: providing needed information and advice, persuading target customers of the merits of a specific product, and encouraging them to take action at specific times. Activities that cater to promotion are advertising, sales promotions, personal selling and publicity; they can all influence consumer's way of thinking, their emotions, their experience as well as their purchasing. Communications should be devised by marketers in such a way that it (1) offers consistent messages about their products and (2) are placed in media that consumers in the target market are likely to use. Promotion is very important as it provides information, advice, and it persuades the target market. It guides and teaches the customer to take action at a specific time and how they can use the product and get beneficial result from it. The product advertisement can be delivered by individual sales people, T.V, radio, internet, magazine, press, and all types of media. An organization's promotional strategy can consist of sales promotion, advertising, sales force, public relations and direct marketing.

2.4. Product

Riaz & Tanveer (n.d); Goi (2011) together with Muala and Qurneh (2012) expressed (referring many studies) that 'Product' is some good or service that a company offers in the market. Product is defined as: "something or anything that can be offered to the customers for attention, acquisition, or consumption and satisfies some want or need". It includes physical objects, services, persons, places, organizations or ideas". A marketer should build an actual product around the core product and then build augmented product around core and actual product. Core Product refers to the problem-solving services or

core benefits that customers are getting when they buy some product. On the other hand, actual product refers to a product's parts, level of quality, design, features, brand name, packaging and other features that are combined in order to deliver the core benefits. Augmented product means associating additional benefits and services around the core and actual product. These additional factors could be guarantees, after sale services, installation, etc. As for services, the product offer in respect of services can be explained based in two components: (1) The core service which represents the core benefit; (2) The secondary services which represent both the tangible and augmented product levels. The latter can be best understood in terms of the manner of delivery of the particular service. The product is the core of the marketing mix strategy where retailers could offer unique attributes that, differentiates their product from their competitors. Quality, design, features, brand name and sizes characterize the product. Well acceptances of product by customer are based on product quality and design. Pre- and post-sale services are an important part of the product package and can contribute to enhance performance. Wide product lines also provide an opportunity for increased export sales. Broad product lines enhance profitability and market share positions in domestic and export markets.

2.5. People

According to Muala and Qurneh (2012) this factor refers to the service employees who produce and deliver the service. It has long been a fact that many services involve personal interactions between customers and the site's employees, and they strongly influence the customer's perception of service quality. Personnel are keys to the delivery of service to customers. In addition, customers normally link, the traits of service to the firm they work for. Personnel are also considered as the key element in a customer

centered organization as well as a way to differentiate variables with product, services, channel, and image. Achievement of a customer-orientation is not possible if there is no cooperation coming from the personnel. The interaction is important because it influences customer perception. In other words, the actions of all the personnel normally influence success of action and function of an organization and with more communication, training, skills, learning, and advice they will achieve to display the optimum value of the product and the company.

2.6. Process

Muala and Qurneh (2012) asserted that process is generally defined as the implementation of action and function that increases value for products with low cost and high advantage to customer and is more important for service than for goods. The pace of the process as well as the skill of the service providers are clearly revealed to the customer and it forms the basis of his or her satisfaction with the purchase. Therefore, process management ensures the availability and consistence of quality. In the face of simultaneous consumption and production of the process management, balancing services demand with service supply is extremely difficult. The design and the implementation of product elements are crucial to the creation and delivering of product.

2.7. Physical Evidence

Muala and Qurneh (2012) revealed that this factor refers to the environment in which the service and any tangible goods that facilitate the performance and communication of the service are delivered. This holds great importance because the

customer normally judges the quality of the service provided through Physical Evidence. In addition, this factor also refers to the environment in which the services production is, in. Similarly, other visible surroundings can affect the impressions perceived by the customers about service quality. The components of the service experience are called the “services-cape”-that is, the ambience, the background music, the comfort of the seating, and the physical layout of the service facility, the appearance of the staff can greatly affect a customer’s satisfaction with a service experience. The environmental décor and design also significantly influence the customer’s expectations of the service. Services normally cannot be displayed therefore firms should create a suitable environment to highlight the fact to the customers.

3. Franchise or Franchising

According to Guidici, et.al (2018) social entrepreneurs increasingly use franchising to scale social value. Tracey and Jarvis described how social franchising is like commercially-oriented franchising, but noted critical challenges arising from dual goals. We investigate a social franchisor that overcame these challenges and describe how the social mission became the source of business model innovation. We show that the social mission fostered a shared identity that guided the search for adaptations to the franchise model. The shared mission-driven identity created pressure toward (1) decentralized decision-making, (2) shared governance, and (3) a role for the franchisor as orchestrator of collaborative knowledge sharing among franchisees. Findings should help social franchisors avoid common pitfalls and suggest future research questions for social entrepreneurship and franchising scholars.

Furthermore, most of Bubble tea brands expand their business by selling franchise. According to IFA (International Franchise Association), "franchising is simply a method for expanding a business and distributing goods and services through a licensing relationship". Franchisor and franchisee conclude a contract that franchisor grants a license and privilege to the franchise to operate the business under their trademark. Franchisor provides a developed way of doing business such as the product, services, operating system, training, procurement, and support, relatively franchisee pay a certain amount as compensation. (IFA 2018.) Being a franchise is one of the good options for entrepreneurs, especially for those who have no previous business experience at all. For a small business, franchising means having an independence of ownership with a big business network in back. Therefore, the greatest advantage of buying a franchise is having less risk on business failure due to the franchisor has been tried out its business concept in the market already. With their recognized brand name will also help franchisee omit the market testing. And the cost of buying a franchise may less than establish their own business owing to all franchisees acting together have more shopping power to bargain the price. Moreover, the franchisor provides the training and know-how for operating business model, so franchisee can avoid many unnecessary barriers and get instant access to the market. (Which franchise, 2018) The biggest disadvantage of buying a franchise is rigid rules. The formal agreement dictates the certain way that franchisee should operate the business. With no creating rooms can make it difficult for a franchise to respond to new competition or market. The restriction of purchasing is another issue. The franchise is forbidden to purchase the materials from not approved suppliers, even they can get much cheaper same items from the local market i.e. toilet paper. Reputation

is bonded in the whole system, which means that franchisee may suffer from the bad performances by other franchisees, even though there is no fault of their own. More, the ongoing sharing profit with franchisor is also a matter for buying a franchise, as times go by, franchisees may not be pleasant to pay if they do not need that much service from the franchisor. (Which franchise, 2018)

4. Non-Franchise or Independent Business

When establishing a new business, entrepreneurs can decide to join a network of independent business partners rather than choose the alternative of independent business ownership. In this study, we use a profit model on a large database to study the human, social, and financial capital of French entrepreneurs who join franchising and comparable forms of networks. Results confirm that initial levels of human and social capital are significant determinants of network membership. We also show that an increase in the proportion of the project financed by debt increases the probability of joining a network. (John Wiley & Sons, Ltd., 2014)

Moreover, if downtown retail districts are to compete with franchise-heavy commercial districts and malls, they must convey a vivid, alternative message via graphic identities to their small independent companies. The most significant aspect of this message is the identity that represents each company, and it needs to be designed and executed with great care. (Fontaine, Bradbury, 2018)

Lastly, as mentioned by Kroeker (2013), independent business owners may not have the security to realize that the marketplace has already been checked and configured for product lines, service offerings and other ownership decisions. In other words, while

franchise owners sacrifice decision-making freedom, they appreciate the protection and security that comes from belonging to a much larger company with an established track record.

CHAPTER III

METHODOLOGY

This chapter presents the research design, the respondents involved in the study, the sampling method, the research instrument and the statistical tools that will be used to interpret the gathered data.

Research Design

The research design refers to the overall strategy that you choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring you will effectively address the research problem; it constitutes the blueprint for the collection, measurement, and analysis of data.

According to Polit and Beck (2007), Tourigny et al. (2011) a non-experimental, quantitative research design known as a Descriptive-Comparative design. The fundamental aim of these designs is to evaluate the interaction between variables. No control (manipulation) of the independent variable (IV) and no random assignment of research subjects to the intervention or control group are the most important distinctions between these designs and experimental designs. It is also known as comparative casual study and pre-experimental studies. The design spells out strategies the researcher adopts to gather accurate, objective, and interpretable information.

Research Locale

This study entitled "A Study on the Franchised and Non-Franchised Siomai Stores in Talavera, Nueva Ecija: Pros and Cons in Marketing Mix" will be conducted at Talavera, Nueva Ecija. The researchers chose this locale to be able to gather information conveniently on registered siomai business owners in Talavera, Nueva Ecija which are the respondents of the study. In addition, the municipality is growing economically fast

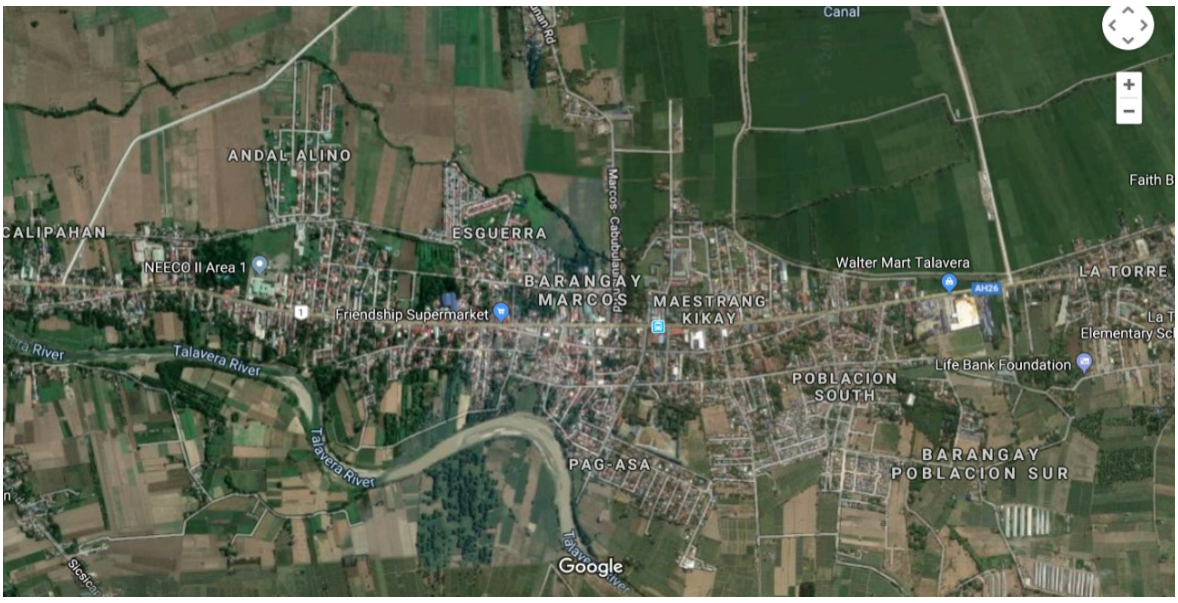


Figure 2. *Satellite Map of Talavera, Nueva Ecija*

that lead the researchers to conduct the study regarding business that sprouts everywhere in Talavera which is siomai business.

Brief History

The municipality of Talavera was formerly a barrio of Cabanatuan City. It was called “Katugian”. Katugian means a place abounding in “Tugue” an edible root crop. During that old times, the distance between Cabanatuan City and Katugian was very far during the old days, although it was only fourteen kilometers. Due to the poor means of transportation at that time and the pleading of the prominent men of Katugian, and the Cura-Parocco recommended to the Spanish administrators to move the town officials of Cabanatuan to make Katugian separate from Cabanatuan.

In the year 1852, the plan making the Katugian a town was approved by a royal decree. There was no formal inauguration of the new town in accordance with the royal decree. The barrios that were formed in the creation of the new town were La Torre, Pulong Buli (now Sto. Domingo), Conception and Valle. The inhabitants of these barrios wanted their town to have a new name. Katugian was the name of the barrio where the seat of the municipal government was established. To avoid jealousy and misunderstanding with the other barrios which were larger at that time than Katugian, they chose a name that they will be proud of like those of the other towns created by the Spanish authorities. They presented a petition to the Alcalde Mayor (the equivalent of governor today) of Nueva Ecija, who in turn forwarded into the governor general in

Manila, and on February 17, 1853, a decree was issued by the governor general approving the name “Talavera of the Crown of the Princess”.

Mission

To pursue a well-balanced socio-economic development through the provision of necessary support, extraction of economic potentials and utilization of modern technologies supporting the evolution of Talavera.

Vision

Talavera as a premier agri-industrial city, ecologically sustained, propelled by vibrant economy led by dynamic and effective leaders toward resilient, responsive and self-reliant citizenry.

Respondents of the Study

The respondents chosen for this study are the business owners of milk tea shops in Talavera, Nueva Ecija. The researcher took the number of all milk tea shops in Talavera, Nueva Ecija. The total milk tea shops gathered were twenty-three (23). Through conducting a survey to the seven siomai stores in Talavera, Nueva Ecija, and the siomai store owners as the respondents of the study. In lined with this, the researcher may be able to gather all necessary and relevant information that can be used to determine the difference of franchise and non- franchised siomai stores in Talavera Nueva Ecija as well as its advantages and disadvantages in terms of seven marketing mix.

Sampling Technique

Sampling is a method that allows researchers to infer information about a population based on results from a subset of the population, without having to investigate every individual. The researcher used the sampling method which is a Purposive Sampling.

Purposive Sampling reflects a group of sampling techniques that rely on the judgement of the researcher when it comes to selecting the units that are to be studied. These purposive sampling techniques include maximum variation sampling, homogeneous sampling and typical case sampling to selecting the units that are to be studied. (Sharma, 2017)

Purposive Sampling technique is a type of non-probability sampling that is most effective when one needs to study a certain cultural domain with knowledgeable experts within. The main attribute of this sampling method in which the researcher relies on his or her owns judgment when choosing members of population to participate in the study.

Research Instrument

This study allows programs to be used in data collection to a research problem, designed for measuring their intended outcomes. To get the appropriate data needed, the researchers will have surveys with two (2) parts. Part I will ask for the profile of the shop. The tool for profile was made by the researchers; it will determine the owner’s name, numbers of siomai sold per day, and whether their shop is franchised or non-franchised.

Part II is the tool to determine the information about the seven (7) Ps of marketing mix of siomai store. This will be rated from 1 to 5 regarding to its presence on their business, where: 1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree, and 5-Strongly Agree. Part III is the tool that will be used to get the information about the advantage and disadvantage of franchised or non-franchised siomai store. In this study, survey form will be used as the data gathering tool in collecting the information that this study requires, with the distributed questions and with the participants of the owners of franchised and non-franchised siomai store in Talavera, Nueva Ecija the researchers will be able to gather all the necessary information that will satisfy and answer the question of the problem.

Data Gathering Procedure

The process of gathering, measuring, and evaluating accurate insights for analysis using standard validated techniques is known as data collection. The most important goal of data collection is to ensure that statistical analysis gathers information-rich and accurate data so that data-driven decisions can be made for study (AnswerMiner, 2018).

The survey will be given to assess the relationship and difference of the franchised and non-franchised milk tea shops conferring the use and application of the seven (7) marketing mix to attain the its advantages and disadvantages.

For the respondents, all of the twenty-three (23) milk tea shop owners around Talavera, Nueva Ecija will be the one to answer the survey form prepared by the researchers. This is to purposively know how they use marketing mix to attain its pros and cons in running a business.

Method of Data Analysis

Statistics plays a vital role in guiding the researchers while conducting a research in order to have a proper characterization, summarization, presentation and interpretation of the result (Perera, 2014). This will be use in order to assess and evaluate the accuracy and reliability of the interpreted data, the following are the statistical tools that will be used: frequency, percentage, mean, and t-test.

1. To describe and identify the respondents, frequency and percentage will be use. In statistics, frequency is determined by the number of times the observation occurred or recorded in the study. Meanwhile, percentage is used to measure a portion with a latter base of a 100 (Ministry of Manpower, 2014). These will be used to determine the relationship of a part from a whole.
2. Weighted means will be used to determine the marketing mix used by the milk tea shop owner's in order to attain the pros and cons of the seven (7) Ps of marketing or commonly known as marketing mix in the franchised and non-franchised siomai stores. The average usage of each of the marketing mix will be measured by obtaining the mean of every data in each set.
3. T-test is commonly used to compare the means of two groups, in this study the groups will be represented by the owners of franchised milk tea shops and non-franchised milk tea shops. This will be used to determine the pros and cons of the two groups in terms of the seven (7) Ps of marketing. This will be used in the hypothesis testing, the null hypothesis that a difference in groups means is zero and the alternative hypothesis that the difference in groups means is different from zero (Bevans, 2020).