

An Evaluation of Local Government Units Assisted Pabalubong

Amiel B. Andias, DPA, DBA

Abstract: *The study looked into the Local Government Units (LGU) Assisted Pabalubong Center in the selected area. The study determined Marketing Strategies of pabalubong Center, Identify the Marketing Strategies, Assess the Personnel Management and Evaluate their Financial Performance. The study utilized descriptive methods of research, making use of the information and revised standard questionnaire from Association Management, Consulting and Evaluation Service (AMCE), administered from Local Government units assisted pabalubong center for their Marketing Strategies, Personnel Management and Financial Performance, after gathering data tabulation will made, to come up with the results of the study. The study revealed that all pabalubong center has product or services that satisfy the needs of costumer, the organization introduced new or significantly improved product in the market before the competitor, in product differentiation, products/services quality meets customer satisfaction.*

Keywords: Strategic Management, Marketing Strategies, Financial Performance

1. Introduction

Pabalubong center is for the most part an untapped field of research (Swanson and Horridge, 2014). To attract tourists and persuade them to extend their stay, to better understanding of shopping behaviors and pleasing shopping environments is essential (Kemperman et al., 2009). Effective Management strategies of Pabalubong Center require the development of marketing strategies (product / service, place, price, and promotion) that will best satisfy traveler's needs. It is an integral part of the travelers experience and most tourists return home with souvenirs to preserve and commemorate such experiences in their travel is the Pabalubong Center. Pabalubong might take the form of T-shirts, authentic handcrafted items, antiques, key chains, miniature replicas of landmarks, or various other objects. According to Swanson and Timothy (2012), producing, selling, and buying souvenirs are routine activities of tourist destinations that generate income each year. While shopping seldom mentioned as the primary reason for travel, it is perhaps the most universal of tourist activities, and you have important financial information in the local tourist shop merchants (Kent et al., 2013). Shopping now recognized as one of the major activities of tourists (MacCannell, 2012; Snepenger et al., 2013); it is often the most important expenditure category on their vacations and trips, representing about one third of their total tourism expenditure (Meng and Xu, 2012).

It is increasingly globalized world of our purchasing from a popular tourist destination, which often translated to a mass produced, made by local producers with that destination, and brightly emblazoned across it, which would make perfect sense. Pabalubong is a Filipino word that describes the tradition of bringing back gifts to loved ones from a place one has visited. Where the word souvenir refers to a keepsake from a place, a pabalubong is specifically the gifting of that souvenir to someone else. They were after souvenirs for themselves or pabalubong to bring back to friends and family.

2. Significance of the Study

Food, beverage and artistry is an important aspect of the country's economy. It is consider as the most dominant manufacturing sector contributing 58 percent of the total manufacturing output, and 20 percent of the country's gross domestic product (Macabasco, 2011 and Roache, 2009). Fruit and vegetable exports amounted to an average annual growth of 7% for the period 2006 to 2010 (Philippine Food Processors and Exporters Organization, 2011). Major fruit processed fruit included prepared and preserved fruits accounting for 53% of total fruit exports, while concentrates and dried fruits roughly represented 47% of export demand. One of the Philippine's advantage in the industry is the abundance of different variety of fruits and vegetables. The country ranked as the second largest producer (HortiASIA, 2007) and third largest Exporter (PHILEXPORT, 2012) of fresh fruits and vegetables in Southeast Asia.

The project will enhance the social capability of the Local Government Units (LGU) and to make a significant contribution to the local economy, which will generate revenues for the government, create jobs in their locality, and this will be attractive for small and medium sized enterprises. There will be better access to the business centers and economy will boom. This will also a result to more establishment and develop tourist destination in the municipality and help community generate jobs. The main objective of this study is to describe Marketing Strategies, describe Personnel management and financial performance among pabalubong center in Zamboanga del Norte.

3. Literature Review

Authenticity of the souvenir (littrell et al., 1993), understanding visitors perceived being authentic about tourist arts and crafts through criteria such as product uniqueness, cultural and historical integrity. Aesthetics, quality of workmanship, the artist's connection to the product, being able to watch the artisan create products, the craft's utilitarian function, local production, cost, scarcity value, and guarantee of authenticity by way of a label or certificate. Commodification of souvenirs (Swanson and Timothy, 2012): viewed as material commodities for trade in tourism. They produced, sold and consumed; they also distribute through supply chains from their point of

production and packaging, shipment and distribution, to their final point of sale, and eventually they are consumed by tourists. Design production, gender and economic development (Hume, 2009): focus on the traditional role of women and men as the producers of handicrafts, souvenirs, how they manufacture souvenirs can empower women socially, psychologically, and economically. Cultural property rights (Gutentag, 2009): ethical issues regarding the reproduction and sale of indigenous arts, crafts, and symbols by non-native producers and intermediaries.

Hu and Yu (2009) also identified travelers' interests when they examined the rationale behind travelers' craft selection and purchase behavior. Their study demonstrates that travelers' criteria for craft selection are multidimensional, including high quality of artistry, sensuous appreciation, cultural linkage, and ease of handling for travel. These authors also found that consumers of craft souvenirs are heterogeneous. They identify three distinct segments that require different marketing strategies effectively attract each segment:

Many people like to take a little something home with them as a reminder of their travels, something to show for where they have been, something they can use to look back and reminisce about the fantastic experience they had during their holiday. Not to mention, displaying such a memento around the home can be a great conversation starter when you have guests. After all, buying souvenirs is part parcel of the fun holiday experience. Tourists also tend to take many gifts and novelties back home for friends, relatives and work colleagues. It's a nice way to show that they've been thinking about them while they've been away on their vacation. There are some of us who just cannot resist walking into a gift shop and coming out with something. This can happen to a lot especially if you are on holiday with children.

Republic Act No. 7160, otherwise known as the Local Government Code of 1991 (LGC), mandates, as a primary operative principle of decentralization, the establishment of an accountable, efficient, and dynamic organizational structure and operating mechanism in the local government units (LGUs) that will meet the priority needs and service requirements of their communities. Pabalubong Center highlights truly local products mostly food, wine, handicraft, chips and other delicacies of local producers.

Country of origin of tourists also been found to influence tourist activities and shopping behavior (Witkowski and Yamamoto, 1991, Rosenbaum and Spears, 2005). Other researchers have examined the nature of the process for tourists, while on holiday and have found that the tourist's situation accentuates. The affective over the cognitive role in the consumer behavioral choice and experience, which can be perceived as comparatively risky to the individual in everyday life, but it would seem to be the primary sought after experience while on holiday (McIntire, 2007; Yuksel and Yuksel, 2007).

4. Theoretical Consideration

Effective management provides overall direction to the company and involves specifying organization's objectives,

developing policies and plans designed to achieve objectives, and allocating resources to implement the plans. Academics and practicing managers have developed numerous models and frameworks to assist in strategic decision making in the context of complex environments and competitive dynamics (Porter, Michael 2010). Effective management is not static in nature, models often include feedback to monitor execution and inform the next round of planning. Effective Management involves formulation and implementation of the major goals and initiatives taken by top management organizations based on consideration of resources and assessment of the internal and external environments in which the organization competes. Effective Management Strategy It is a determination of the basic long-term goals of organizations, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals. Management Strategies are established to set direction, focus effort, define or clarify the organization, and provide consistency or guidance in response to the environment. (McGahan, A.M 2010)

Strategic management involves related concepts of strategic planning and strategic thinking. Strategic planning it is an analytical in nature, refers to formalize procedure to produce data, and analyzes used as inputs for strategic thinking, which synthesizes the data resulting in the strategy the strategic thinking Strategic management often described as two major processes: formulation and implementation of strategy. While described sequentially the practices of two processes are iterative and each provides input for the other.

Formulation strategy involves analyzing the environment in which the organization operates, then making a series of strategic decisions about how the organization will compete. Formulation ends with a series of goals or objectives and measures for the organization to pursue. Environmental analysis includes remote external environment, which consist of political, economic, social, technological, legal and environmental landscape; On the other hand Industry environmental scanning, such as the competitive behavior of rival organizations bargaining power of buyers / customers and suppliers, threats from new entrants to the industry, and the ability of buyers to substitute products (Porter's 2014).

Implementation is the second major process of effective management involves decisions regarding how the organization's resources (people, processes and systems) will aligned and mobilize towards the objectives. Implementation results in how the organization's resources are structured (such as by product or service or geography), leadership arrangements, communication, incentives, and monitoring mechanisms to track progress towards objectives, among others. Running the day-to-day operations of the business often referred to as operations management or specific terms for key departments or functions, such as logistics management or marketing management, which take over once strategic management decisions implemented.

5. Methodology

The study will utilized descriptive methods of research, making use of the information and revised standard questionnaire from Association Management, Consulting

and Evaluation Service (AMCE), to be administered from Local Government units assisted pasalubong center for their Marketing Strategies, Personnel Management and Financial

Performance, after gathering data tabulation will be made, to come up with the results of the study

6. Result and Discussion

	Pasalubong	Pasalubong	Pasalubong
MARKETING	1	2	3
Product or service suited to the present market	5	4	5
Product or services satisfy the needs of costumer	4	4	5
Product or services meet the needs of the market	3	4	4
Product or services properly positioned in the marketplace	5	4	5
Commissions / Incentives to both employees and customers help achieve company's goals.	2	5	3
MEAN	3.8	4.2	4.4

The table above shows the marketing strategy of both the Pasalubong Centers. Looking at the figures, products or services offered by Pasalubong Centers our match with the preferences of the customers and well positioned in the marketplace. However, commissions/incentives to both employees and customers quite employed and Pasalubong Centers 1 compared to the Pasalubong Center 2. According to Milkovich and Newman (2010) commissions and incentives, schemes (short-term and long-term) constitute part of the financial components of employee compensation and Pattanayak (2015) when it offered, employees are likely to expend more energy and effort into the job.

Marketing plays a great role in the success of business. Strategizing in marketing creates great impact on the success of the business because the primary role of marketing is making products and services popular and if these products and services become popular, it engages the business into a

mutual relationship with the customer, making the business grow in magnitude and eventually gain success in its day-to-day operation.

In today's times if businesses would engage in marketing, outperform others because the forces of marketing have shaped society. Clever marketing has led too many recent business success stories and history reminds us that without proper marketing, your competitor surely will. That is why, marketing strategy of every business should regularly revised and updated because one of the strengths of marketing is the way it constantly adapts and respond to changing conditions. Noting, that marketing is the process or company satisfies customer needs with a product and services at the price that ensures propensity and profitability off firms (Spalton, 2010:12). Therefore, Pasalubong Centers need to employ marketing if they do not want to left behind and be a loser in the field of business competition.

	Pasalubong	Pasalubong	Pasalubong
INNOVATION	1	2	3
Organization introduced new or significantly improved product in the market before the competitor	5	3	4
Pasalubong center introduced new or significantly improved product that was already available from your competitors in the market	3	4	4
Effectiveness of innovation to increase competitiveness in the market.	1	4	3
Significance of innovation to increase profit margins.	3	5	4
Significance of innovation to build customers' loyalty.	5	5	3
MEAN	3.4	4.2	3.6

Table 2 engages this paper on the data as to innovation as a marketing strategy. Looking at the figures on the table would tell that innovation is visible in the Pasalubong Center. This couldprove through the weighted mean 3.4 and 4.2 respectively.

This shows that innovation can happen in the Pasalubong Center but with the situation of Pasalubong Center 1 where they do not believe in the effectivity of innovation to increase competitiveness in the market as they rank it 1, because, their center depends only in the product delivered per barangay or "One Town, One Product" as they called it. They agreed that through innovation could build customers loyalty and increase profit margins but not as to increasing competitiveness due to lack of experience as they are dependent on the deliveries of their suppliers (barangays).

Many things can crop up with one's mind considering innovation in relation to marketing strategy. Innovation can change the mindset of both the businesspersons and the customers. With constant innovation, customers would view such as and aggressive approach of the business that leads to their competitive advantage and being at the advantage creates the view of being on top over others. Thus many authors concluded that innovation is any practices that our new to organizations it may include equipment, products, services, processes, policies, and projects (Lin 2007) Khazanchi, Lewis, and Boyer (2017). Extended the conclusion they said that innovations is one of major relevance for companies, as it can be the source off additional revenues from new products or services, can help to save costs or improve the quality of existing processes. That is why, Pasalubong Center 2 applied and engage into innovation as they found it as an effective tool to stay ahead and sustain in the business.

	Pasalubong 1	Pasalubong 2	Pasalubong 3
DIFFERENTIATION	1	2	3
Products/services quality meets customer satisfaction	5	5	5
Products/ services satisfy Organizational Expenses	5	5	4
Alignment of product/services to the organizational objectives	3	5	5
Efficiently and effectiveness of differentiation strategy	3	5	4
Relevance of using differentiation strategy in the market	2	4	5
MEAN	3.6	4.8	4.6

Table 3 presents the differentiation marketing strategy of the Pasalubong Centers. Looking at the figures reveal that differentiation is not common among them. This is also proves by the weighted mean 3.6 and 4.8 described as “sometimes” and “often” respectively. The data showed that differentiation is really a strategy and days are glaring realities in the Pasalubong Centers. Products and services differentiation can happen in different ways and in different levels. However, the most important thing to consider is that this product and services differentiation aligned with their vision and mission and that it should lead two words broadening or increasing the market coverage of the organization. As a marketing strategy, product differentiation allows the organization /association to tell its customers the way in which their products and services are different from that of the others and how their products and services are better than the others are.

In pasalubong centers, differentiation can happen along products and services. Every barangays or places have different specialties that they can offer to their tourists. While other pasalubong centers offers food, there are pasalubong centers that offers soft broom, bamboo, basket, things and sculptures from local artists, and other newly developed products. Pasalubong Centers intend to differentiate also along customer service, promotion and process.

Differentiation strategy is to be unique in its market with respect to potential competitors. The key to success for this strategy is that the bases for differentiating the product or services must be of value and must base on sustainable competencies that are difficult for competitors to copy or match.

	Pasalubong 1	Pasalubong 2	Pasalubong 3
TOP MANAGEMENT	1	2	3
Top management knowledgeable in formulating strategies.	5	4	4
Top management knowledgeable in strategy implementation.	3	4	4
Top management prepares in succession planning.	2	4	3
Top management easily identifies key threats and opportunities to the business.	4	4	4
Top management responds to market needs through product innovation.	4	5	4
MEAN	3.6	4.2	3.8
PERSONNEL MANAGEMENT	Pasalubong 1	Pasalubong 2	Pasalubong 3
I am provided adequate facilities to do my job	7.67	9.00	8.00
I believe that my work atmosphere is friendly	9.33	8.67	7.67
I am given adequate freedom to do my job efficiently	7.33	9.33	8.67
I know what is expected me at my work	7.67	9.33	8.67
In the last seven days, I received praise to my good job	9.33	9.67	7.67
My superior that is the person I report to, seem to care about me as a person	8.67	9.33	7.67
My superior encourages my development	9.67	9.67	8.67
At work my opinion seems to count	9.00	9.33	7.00
In the last three months, my superior has talked to me about my progress	9.00	9.00	8.33
The purpose of my company makes me feel that my job is important	9.67	9.33	8.67
My associates are committed to doing quality work	9.33	8.33	7.67
I have the best friend at work	7.00	8.33	9.00
This year, I had opportunities at work to learn and grow	8.67	10.00	8.33
The best people in my profession are keen to work with my organization	8.00	9.67	8.00
I am kept informed about the activities that go on in my organization	8.33	9.67	8.33
Our boss sends us to training and seminars that enhances our knowledge	7.67	7.33	8.00
Our superior provide us our benefits such as bunoses, health and other insurances	9.67	9.33	8.33
I am satisfy with the benefits I received	8.33	9.33	9.00
Seminars and Trainings are provided to us for individual development and growth	6.67	9.00	8.00
I am happy to work in the pasalubong center	8.67	9.00	7.33

Table 4 shows on top management as the frontline. Looking at the fingers wood delve into an idea that the top management does what they are intended to do and these accomplishments are visible down to their subordinates. The strategies include formulating and implementing effective strategies, identifying key threats and opportunities, responding to organizational needs, and directing the organization to the accomplishment of its objective.

These claims proven through the mean of 3.6 and 4.2 respectively, which shows the top management, always strategize properly in order for them to lead the actions of the business towards the accomplishments of their objectives. This is seemingly happening in the businesses as proven and their years of existence in the growth that this pasalubong center have manifested over the years. If not with the proper action of the top management, these

businesses should not have survived for more than years. This businesses should have slowed down that will lead to their closure. Looking at the top management and their creativity would tell that this people in the top management really know what they need to do and know the way of doing it. Strategizing is a difficult part of rating a business because it looks into vague and chop these vague matters into specifics so that this bits and pieces of objectives could lead back to the objectives of the business. Strategizing on the part of top management, beside the fact that it is their job, can be tasking and mind consuming because of the details needed, however, the top management of the

pasalubong center under study have been proven themselves worthy of being in the top management having ushered pasalubong center operation.

Presented in table 5 are the data under the assessment of personal (employees). Looking at the result on the table would reveal that the pasalubong center gave much attention to the welfare of their personnel. This claim is concretize by the mean of 8.67 and 9.00 respectively.

Increase of Revenue

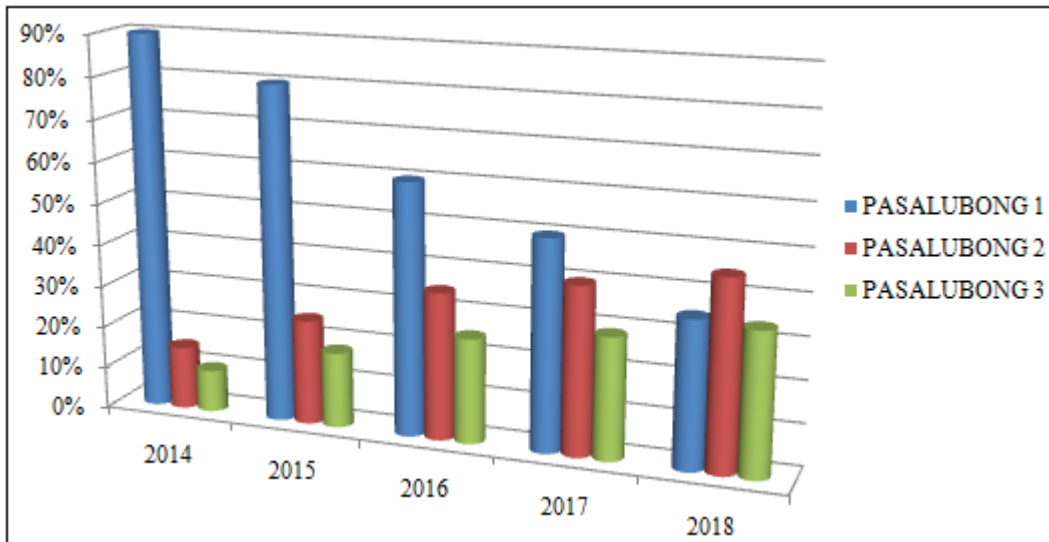


Figure 1 above gives a picture of the increase of revenue of the pasalubong center under study. Looking at the graph would tell that Pasalubong Center 2 has a good marketing strategy, innovation, differentiation, top management, and personnel assessment than Pasalubong Center 1. Does well justified through the graph of Pasalubong Center 2, which is higher than Pasalubong Center 1. Aside from that, if you look into the presentation, from the year 2014 to 2018 increase in revenue of Pasalubong Center 1 is decreasing, unlike Pasalubong Center 2, which is increasing, through

Pasalubong Center 2 started from 10% but it goes higher as time passes.

Looking at the overall picture, one could not say that the higher points of one parameter is the best pasalubong center, two or more parameters could greatly affect the overall performance of the business.

Revenue

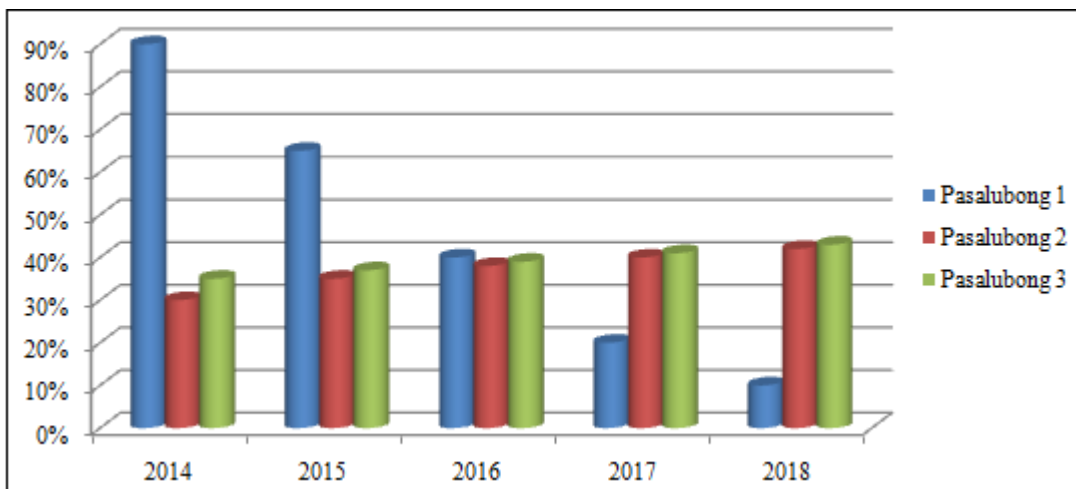


Figure 2 shows the revenue of Pasalubong Centers. Looking at the graph would tell one that Pasalubong 2 generated improving revenue, which simply means a good

performance of their business. Looking at Pasalubong Center 1 denotes inefficiency and ineffective in their activities since their revenue is decreasing through time.

Overall, Pasalubong Centers have different levels of effectiveness and efficiencies. They can also be more effective while others are in danger especially top management ineffectively performing their task and strategies (marketing, innovation, and differentiation) not implemented properly. This is where strategies and personnel management play a greater role.

7. Conclusion

Despite various challenges faced of Pasalubong Centers, it continued to grow, contributing to the socio-economic development. They continued to grow with the help of marketing strategies determined as well as the guidance and expertise of top management aided with the satisfied personnel (employees). With all of these tools revenue increases that signify success of the business especially Pasalubong Centers.

8. Recommendation

The researchers recommend the top management of pasalubong centers should make use of the study, in order to come with the best products and services coupled with strategies that would meet the demand of the customers. Several things can be looked into, such as commission/incentives to both employees and customers to help achieve company's goals, innovation to increase competitiveness in the market, relevance of using differentiation strategy in the market. Top management must prepare in succession planning in order to present a big picture on what will be going on in your business operation. The researchers also recommend that this study considered as indicators to the sustainability of Pasalubong Centers since they also contribute to the socio-economic development.

References

- [1] Del Barco, Mandalit (2008). "The Balikbayan Tradition", Gift Boxes Help Migrant Filipinos Keep Ties to Home" Morning Edition. National Public Radio
- [2] Gutentag, Daniel A. (2009) "The Legal Protection of Indigenous Souvenir Products," *Tourism Recreation Research*, vol. 24, no. 1, p. 23-34.
- [3] Hu, Bo and Hong YU (2007) "Segmentation by Craft Selection Criteria and Shopping Involvement," *Tourism Management*, vol. 28, p. 1079-1092.
- [4] Hume, David L. (2009) "The Development of Tourist Art and Souvenir the Arc of the Boomerang: from Hunting, Fighting and Ceremony to Tourist Souvenir," *International Journal of Tourism Research*, vol. 11, no. 1, p. 55-70.
- [5] Littrell, Mary Luella F. Anderson and Pamela J. Brown (1993) "What Makes a Craft Souvenir Authentic?" *Annals of Tourism Research*, vol. 20, no. 1, p. 197-215.
- [6] MARTIN, BOB (February 28, 2011). "Pasalubong". Live in the Philippines. Archived from the original on March 5, 2011. Retrieved August 10, 2011.

- [7] Mac Cannel, C Jr and Gates, R (2013) *Contemporary Marketing Research*, West Publishing Company, St Paul Minnesota, chapter 1 1/12
- [8] Milcovek and Newman (2010) Incentive Schemes, Employee Motivation and Productivity in Organizations In Nigeria: Analytical Linkages
- [9] Pattanayak (2015) "Motivating Employees Through Incentive Programs" Published Thesis
- [10] Porter, M. E. & Heppelmann, J.E. (2014) "How smart, Connected Products are Transforming Competition", *Harvard Business Review*
- [11] Porter M. E. & Kramer, MR (2006) Strategy and Society: The Link Between Competitive Advantage and Corporate social Responsibility
- [12] Stone, Sidney Hunter (2003). The caging of Kassandra Trafford Publishing. ISBN 1-4120-
- [13] Tan, Michael (2011). "The Best 'Pasalubong'". *Philippine Daily Inquirer*. Archived from the original on May 9, 2011. Retrieved August 10, 2011.
- [14] Witkowski, Terrence H. and Yoshito YAMAMOTO (1991) "Omryage Gift Purchasing by Japanese Travelers in the US," *Advances in Consumer Research*, vol. 18, p. 123-128
- [15] Yusksel, Atila and Fisum YUKSEL (2007) "Shopping Risk Perceptions: Effects on Tourists' Emotions, Satisfaction and Expressed Loyalty Intentions," *Tourism Management*, vol. 28, no. 3, p. 703-713.