

**COMPREHENSIVE ASSESSMENT ON THE MARKETING OPPORTUNITIES IN A RURAL COMMUNITY AT KIORAO, KIBAWA, BUKIDNON****Michael Bonn A. Bonifacio<sup>1</sup>, Ma. Concepcion C. Sudaria<sup>2</sup>**<sup>1</sup>Central Mindanao University, michaelbonifacio@cmu.edu.ph<sup>2</sup>Central Mindanao University, f.maconcepcion.sudaria@cmu.edu.ph

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**ABSTRACT**

*The Municipality of Kibawa is part of the 3rd congressional district in the province of Bukidnon, and was considered as GIDA (Geographically Isolated and Disadvantage Areas) as evidenced of their high poverty incidence among its residents. With the benefits brought by entrepreneurial activities to economic growth and mitigating occurrence of poverty that this research was conducted to validate the theory. The study aimed to determine the level of businesses and entrepreneurs' marketing practices, and how their strategies and practices are associated with the existing capabilities provided by government and to the community's satisfaction to implemented marketing strategies. It surveyed 128 household representatives at barangay Kiorao, in the Municipality of Kibawa. The research design was descriptive-correlation method and the statistical tools used were mean, and Pearson  $r$  correlation coefficient. Results revealed that place, people management and promotional marketing strategies are evidently practiced, product and price strategies are also observed but at a lesser extent. There were minimal business activities relating to product and pricing strategies. When associated with enterprise capabilities, the people, place and distribution, and promotional strategies were positively correlated at 0.05 and 0.01 level of significance. Respondent were satisfied with the marketing capabilities exhibited by these enterprises used of available resources, adoption of marketing practices, and appreciation of the importance of these aforementioned strategies for the success of the sustainability of their respective endeavor.*

**Keywords:** marketing strategies, enterprise capabilities, rural marketing.

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**1. Introduction**

Businesses has been a constant force for economies to contribute towards economic growth and has significantly impacted societal problems like poverty and unemployment. Addressing issues in poverty is just one of the many challenges that governments like the Philippines has to face everyday. While there is a recorded growth in the Philippine economy (except for periods during the Covid-19 pandemic), poverty still persists and continues to dampen the opportunities and restricts the country's potential to further expand. Since 2012, poverty incidence remains to be at considerable rate and so as it can be observed in rural areas like in the areas of Mindanao. And it has become a challenge to enable and provides

opportunities for sectors to contribute in the alleviation of this prevalent problem. Despite this existing condition, entrepreneurship and business enterprises are seen to provide ease to this stated problems.

As cited by Diriba (2013), businesses has created contributions to employment. In the face of outrageous unemployment and poverty among developing countries, micro-businesses has influence how economies look like. These small businesses that exist and are operated by entrepreneurs proving employment for no more than ten (10) hired workers, and drastically organize such enterprise with a substantially small amount of capita (Quingco, 2019). Entrepreneurship can provide the solution by creating wealth, jobs, and social empowerment. If we are to address the issue of poverty with some degree of success, history tells us we have no choice but to actively encourage entrepreneurial ventures as it has been identified to alleviate this problem.

The role of private enterprises, especially micro and small businesses, is to facilitate equitable distribution of wealth, increasing the productions of products and services and providing access to these goods in remote and rural areas with the intentions to raise the quality of life among people. Another study conducted on micro-business enterprise in the Philippines showed that the mere presence of these enterprises in the local community can help improve the economy and provide revenue to the local government. Moreover, it suggests that these businesses must be supported and harnessed in the economic aspects and business practices (Chiu & Cabanda, 2005).

This is also to support and reinforce the Sustainability Development Goals (or SDGs) in 2030 which is to achieve no or zero poverty throughout regions. The Philippine Development Plan (PDP) further reinforces the thrust on entrepreneurship through trade and investment to achieve the government's goal of economic development and job creation. As part of our commitment to support this initiatives from our counterpart, studies conducted by tertiary institutions, researchers on the level and quality of business practices and its impact on eliminating this economic issues is indeed imperative. It would also be beneficial to share of finding out the factors that may have affected the responses of the rural entrepreneurial opportunities afforded to the residents of rural community in Kiorao, Kibawe, Bukidnon. Furthermore, understanding how can businesses improve existing operations by integrating effective marketing strategies could potentially resolve to more employment opportunities and increase net worth among business owners.

Considering the nature of their income and expenditures, these micro businesses and entrepreneurs, it is expected would not opt to implement business strategies and programs to support conduct of selling activities. Thus, this study would measure the extent to implementation of marketing strategies on the premise of the 5 Ps of marketing framework. It will also assess the existing capabilities and resources used by businesses and suggest what marketing strategies would be significant and effective based on the opportunities available in the community. In addition, this project would like to address the following concerns: 1) Lack of credit access to improve businesses; 2) Unserved demand and foregone marketing opportunities. Possible improvement in the supply chain; and 3) Underutilized manpower potential and entrepreneurial competences for business opportunities.

Comprehensive assessment on the marketing opportunities in a rural community at Kiorao, Kibawe, Bukidnon. The study aimed to:

1. Determine the existing marketing practices used by entrepreneurs in the locale, if any;
2. Assess the marketing capabilities of entrepreneurs; and
3. Determine the marketing strategies that can be significant and useful for the entrepreneurs of Kiorao.

## 2. Literature Review

There are numerous definitions of marketing strategy in the literature and such definitions reflect different perspectives. However, the consensus is that marketing strategy provides the avenue for utilizing the resources of an organization in order to achieve its set goals and objectives. Marketing strategy is defined as in a given market area, the proper allocation of resources to support enterprises to win competitive advantage. Goi (2005) defines marketing strategy as the set of the marketing tools that firms use to pursue their marketing objectives in the target market; the view which was earlier expressed by (Gronroos, 1999, and Osuagwu, 2006). Therefore, the function of marketing strategy is to determine the nature, strength, direction, and interaction between the marketing mix- elements and the environmental factors in a particular situation. According to (Owomoyela, et al, 2013), the aim of the development of an organization's marketing strategy development is to establish, build, defend and maintain its competitive advantage. Managerial judgment is important in coping with environmental ambiguity and uncertainty in strategic marketing.

Lin (1993) as cited in Long-Yi and Ya – Huei,(2012) proposes that marketing strategy can be divided into four ways to research that: (1) Dual-oriented marketing strategy: using rational and emotional product name, easy to remember, and pricing to take into account the cost of service and quality orientation, psychological factors and competitors' prices. (2) Rational marketing strategy: the use of functional demands of a rational position, consider after-sales service, warranties, delivery and installation attached by the product factors. (3) Emotional marketing strategy: the emotional appeal to locate, emphasis on physical product shape, color design, the use of emotional product names, and so on memory, attention to product packaging and labeling. (4) Maintenance marketing strategy: consumers are more concerned about price and quality, it is not suitable to use a lot of marketing techniques, manufacturers can improve product packaging and labeling, give a simple name for remember, consider the quality position and competitor pricing during pricing.

Marketing strategy can be divided into four parts that is dual-oriented, rational, emotional and low involvement, different product types with different marketing strategy, so the manufacturer's marketing strategy can be divided into five parts which is the choice of target market, product strategy, pricing strategy, channel strategy and marketing strategy. He use a total of 29 questions to measure new product marketing strategy and seven points Likert scale is used to measure. When the industry lack of competition, the business performance would be better even when companies are not entirely market-driven, the performance will have a more excellent performance (Kohli et al., 1993). Previous studies have established relationships between the marketing strategies and performance (Owomoyela et al, 2013; Shoham, 2002; Theodosiou & Leonidou, 2003). Leonidou, Katsikeas and Samiee (2002) propose a study in which a meta-analysis was also conducted to evaluate the relationships between the marketing strategies and performance.

### **Product as marketing strategy**

Kotler and Armstrong (2006) define a product as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. They further define a consumer product as the product bought by the final consumer for personal consumption. Consumers buy products frequently, with careful planning, and by comparing brands based on price, quality and style. Borden, (1984) sees a product as about quality, design, features, brand name and sizes. Mohammad et al, (2012) also say that product is the physical appearance of the product, packaging, and labeling. Information, which can also influence whether consumers notice a product in-store, examines it, and purchases it. Past researchers have clearly suggested that product influences have a significant impact on business performance (Kazem and Heijden, 2006; Kempainen, Vepsäläinen, and Tinnilä, 2008; Ogunmokin and Esther, 2004; Owomoyela, et al, 2013).

### **Pricing as marketing strategy**

Kotler (2007) defines price as a cost of producing, delivering and promoting the product charged by the organization. Zeithaml (1988) is of the view that monetary cost is one of the factors that influence consumer's perception of a product's value. Price can be stated as the actual or rated value of a valuable product which is up for exchange; some define it as amount of money paid for product (Kotler et al., 2005). In the studies of Colpan, (2006); Doole et al., (2006) and Owomoyela et al., (2013) they establish significant relationship between price and business performance. The price you set for your product or service plays a large role in its marketability. Pricing for products or services that are more commonly available in the market is more elastic, meaning that unit sales will go up or down more responsively in response to price changes (Jones, 2007).

### **Place as marketing strategy**

Jones, (2007) defines place as any way that the customer can obtain a product or receive a service. Bowersox and Closs (1996) give distribution as another name for place. According to them, it is the third element of the marketing mix, and it encompasses all decisions and tools which relate to making products and services available to customers. Kotler and Armstrong (2006), also define place or distribution as a set of interdependent organizations involved in the process of making a product available for use or consumption by consumers. Place strategy calls for effective distribution of products among the marketing channels such as the wholesalers or retailers (Berman, 1996). Owomoyela et al., (2013); Amine and Cavusgil, (2001); and McNaughton, (2002) agree that place has significant effect on business performance

### **Promotion as marketing strategy**

Zeithaml et al. (1995) describes promotion as part of specific effort to encourage customers to tell others about their services. According to Duncan (2005), promotion is the key to the market exchange process that communicates with present and potential stakeholders, and the general public. Every firm or store must cast itself into the role of communicator and promoter. Hakansson (2005) also reports that promotion appears as an issue of how to create an optimal mix of marketing communication tools in order to get a product's message and brand from the producer to the consumer. Borden, (1984) defines promotion as sales promotion, advertising, personal selling, public relations and direct marketing. Kotler, (2007) discovers that Promotions have become a critical factor in the product marketing mix which consists of the specific blend of advertising, personal selling, sales promotion, public relations and direct marketing tools that the company uses to pursue its advertising and marketing objective. Previous researches (Amine and Cavusgil, 2001; Francis and Collins-Dodd, 2004) have established significant relationship between promotion and business performance.

## **3. Research Method**

### **Research design**

The study used descriptive-correlational research design. Descriptive-correlational research design aims to describe the characteristics and innate relationship of identified variables using identified statistical tools. It used structured questionnaire in the form of survey instrument in the collection of data as to perceived and observed level of marketing strategies and practices among small businesses and entrepreneurs at Kiorao, Kibawe Bukidnon. This method was used to determine the level of observance to marketing strategies and practices, and subsequently test the relationship of implemented strategies to satisfaction of consumers and target market.

### **Respondents and data collection**

Subjects of the study were the 128 residents of Barangay Kiorao in the municipality of Kibawe. The sampling method used was convenience sampling. A representative per household was requested to answer

to a 55-item questionnaire. The researchers, through a permit from the local government of Kibawe, administered the survey to the respondents and personally collected the data on site. The data were tabulated and organized in Microsoft Excel. The cleaned and tabulated dataset was subjected to statistical treatment and analysis using the statistical software Minitab. The results of the statistical analysis was further examined and validated by experts.

#### Survey Instrument

The researched used a five (5) point Likert scale of agreeability on the level of implementation of the 5 Ps of Marketing as practiced by businesses in the identified community. The scale used was adapted from the study of Lacap & Asuncion (2021).

Scale	Description	Explanation
1	Strongly Disagree	The statement relating to marketing practices and strategies is <b>not</b> observed in businesses
2	Disagree	The statement relating to marketing practices and strategies is <b>poorly</b> observed in businesses
3	Neutral	The statement relating to marketing practices and strategies is <b>sometimes</b> observed in businesses
4	Agree	The statement relating to marketing practices and strategies is <b>frequently</b> observed in businesses
5	Strongly Agree	The statement relating to marketing practices and strategies is <b>always</b> observed in businesses

The weighted mean will be computed to generate the overall level of observance in the marketing strategy. The scale used to analyze the results are as follows:

Scale	Mean Range	Description	Interpretation
1	1.0 – 1.79	Strongly Disagree	Very low
2	1.80 – 2.59	Disagree	Low
3	2.60 – 3.39	Neutral	Moderate
4	3.40 – 4.19	Agree	High
5	4.20 – 5.0	Strongly Agree	Very High

The said survey instrument used in the data gathering was pretested and obtained a Cronbach Alpha coefficient of 0.89. It was further validated by a statistician and experts.

#### Analysis and statistical method

The study is conducted to determine the marketing strategies used by businesses and organizations for profit. To achieve that, the study used a descriptive-correlational method. A 55-item questionnaire with Likert scale was distributed to assess the level of observance to various marketing strategies and practices in the locale.

The following statistical tools were used:

1. Arithmetic Mean (Average) – This tool was used to measure the level of observance of marketing strategies and practices of businesses in the locale.

2. Correlation coefficient (Pearson  $r$ ) – The tool was for determining the relevant strategies that provides satisfaction and appreciated by residents of Kiorao.

As to the interpretation if there is a positive or negative relationship between the clustered marketing strategies with the existing capabilities, the researchers used this scaling:

<b><math>r</math> value</b>	<b>Description</b>
<b>0 – 0.30</b>	None or very weak
<b>0.31 – 0.50</b>	Weak
<b>0.51 – 0.70</b>	Moderate
<b>0.71 – 1.0</b>	Strong

Relationship between two or more variables is considered generally strong when the value of  $r$  is equal or greater than 0.70.

#### 4. Results and Discussion

*Objective 1: Existing marketing practices*

Summary of common marketing strategies practiced

<b>Marketing Strategy (category)</b>	<b>Category</b>	<b>Mean</b>
1. <i>adunay epektibo nga sistema sa pag-apod-apod, pag-display sa mga produkto ug serbisyo.</i> (has an effective distribution system on how to distribute products and services)	place	3.98
2-4. <i>kanunay anaa ug makita sa merkado o baligyaanan.</i> (Businesses that sell/offer products and services are always available in the market)	place	3.91
2-4. <i>naghatag ug katagbawan sa mga kustomers sa apesto sa pag-apod-apod, access, ug presenya sa tindahan.</i> (Business sell/offer products and services in the community provide satisfaction to customers in terms distribution channels, accessibility, and place)	place	3.91
2-4. <i>adunay mga empleyado nga madasigon motubag sa mga pangutana sa kustomer.</i> (has employees that are enthusiastic to respond on customers' inquiry and questions)	people	3.91
5-6. <i>gahatag ug kompletong detalye ug impormasyon mahitungod sa mga produkto ug serbisyo ginabaligya niini.</i> (Businesses sell/offer products and services in the community provide detailed information about its products and services)	place	3.88
5-6. <i>adunay tindahan (physical store) or pasilidad nga nagsilbi nga lugar kung asa itanyag ang mga produkto ug serbisyo.</i> (Businesses sell/offer products and services in the community have physical store or facility that serves as location where products and services are offered)	place	3.88
7. <i>gidumala sa mga tag-iya ug empleyado nga adunay tahod ug maayong kabubut-on.</i>	people	3.87

(owners and employees with courtesy)		
8. <i>adunay suppliers ug partners nga nahimutang duol sa mga gahatag ug supplies ug materyales.</i> (Businesses sell/offer products and services in the community have suppliers and partners located nearby that provide supplies and materials)	place	3.84
9-10. <i>adunay mga tag-iya ug empleyado nga nagahatag ug mga tambag sa mga pumapalit (shoppers) kung unsa ang labing maayo (best) nga mga produkto ug serbisyo nga anaa ug makita.</i> (has owners and employees that provide advice to shoppers on what are the best products and services available)	people	3.80
9-10. <i>gahatag ug mga sampol aron maila ang ilang mga produkto ug serbisyo nga lahi sa ilang mga kompetisyon.</i> (provide samples to distinguish its products and services from its competitors)	promotion	3.80

Table 1: Top 10 marketing strategies frequently practiced by enterprises

Table 1 summarized the top marketing activities or practices with the highest mean rating from the 55 questions presented to household representatives.

Results revealed that barangay Kiorao through its businesses and private enterprises has organized place and distribution strategies. As presented, the businesses has an effective distribution system on how to distribute products and services has the highest mean rating of 3.98 (with description high/highly observed). Other marketing strategies under place and distribution strategies include: 1. businesses that sell/offer products and services are always available in the market; 2. provide satisfaction to customers in terms distribution channels, accessibility, and place; 3. provide detailed information about its products and services; 4. has physical store or facility that serves as location where products and services are offered; and 5. have suppliers and partners located nearby that provide supplies and materials.

To summarize, 6 out of the 10 strategies are related to how the products and services are made accessible and available to its clients and its market. The mean ratings of the 5 place strategies ranges from 3.91 to 3.84.

This finding also supports that resources are available in the locality that makes it easy for businesses to support its operations and sustain the conduct of business activity. Furthermore, it validates that materials and supplies if not present in the community can be access easily from nearby barangays and locations.

Household representatives also confirm that they have observe people and personnel management strategies on businesses at Kiorao. They cited that businesses located in Kiorao have employees that are enthusiastic to respond on customers' inquiry and questions, that owners and employees are courteous and respectful, and that they provide advice to shoppers on what are the best products and services available through its attendants and owners. The mean rating garnered by these statements are 3.91, 3.87, and 3.80 respectively. Overall, place and people management as marketing strategies are evident compared to price and product strategies

Observance of marketing strategies and practices

Category of Marketing Strategies	Mean	Description
Product	3.68	High
Price	3.60	High
Place	3.87	High

<b>Promotion</b>	3.62	High
<b>People</b>	3.70	High
<b>Overall Mean</b>	<b>3.69</b>	<b>High</b>

*Table 2: Level of marketing strategies per category*

Table 2 presents the summary on the level of implementation of marketing strategies as perceived by the household representatives per category.

Among the identified strategies, place strategies have a mean of 3.87 (with a description of high). This is followed by people strategies and product strategies with a mean rating of 3.70 and 3.68 respectively.

Statements under the place strategy include availability of effective distribution strategies, presence of marketplace and physical stores, and the suppliers that supply raw materials for production are also present within the locality. As observed, the community is located at the farthest point of the municipality, with less accessibility of good transportation. Thus, it can be assumed that most of the entrepreneurs find it as an opportunity to offers products and services that may provide accessibility to both their end users (consumers) and partner business (business-to-business model).

Despite getting the lowest mean ratings, promotion strategies (3.62) and price strategies mean that these are the least implemented business practice.

#### *Objective 2: Assessment on Marketing Capabilities*

The main objective of the study is to assess what marketing strategies are employed by enterprises in Kiorao and summarizes the areas where the marketing strategy can make an impact on their operations.

Table 3 showed the important areas, both organizational and societal resources, that an enterprise can implement a strategy. The respondents said that as customers, they can purchase products and avail services they need as it is offered in the municipality or nearest barangay. It is the followed by their stand that marketing strategies are important component of their decision to purchase products and services. It has a mean rating 3.75 and 3.70 respectively. This results imply that they are entrepreneurs that identified the needs of the community, and subsequently offer these products and services. This result also attest to the responsive of enterprises as it covers rising need and demand in the vicinity.

Moreover, they believed the resources available in the community are seldom used by manufacturers and produces in product creation and service rendition. Some of the products are still to be offered in the communities subjected to the study.

Overall, the respondents are convinced that there are marketing efforts and processes that are adopted by enterprises in aide of their business operations. When respondents scored a mean rating of 3.61 with a description of high.

<b>Code</b>	<b>Enterprise and geographical capabilities</b>	<b>Mean</b>	<b>Description</b>
<b>Cap_1</b>	1. Resources available in my locality are utilized by individuals and groups to create products and services.	3.52	High
<b>Cap_2</b>	2. Businesses use locally produced products as raw materials for producing products and rendering services	3.56	High
<b>Cap_3</b>	3. Businesses use aboriginal and unique processes and methods for producing products and rendering services	3.60	High



<b>Cap_4</b>	4. Market needs in terms of goods and services are addressed through offering of products and services	3.50	High
<b>Cap_5</b>	5. Customers purchase products and services they need in businesses located in my municipality	3.75	High
<b>Cap_6</b>	6. Marketing strategy is important to the businesses in my locality that sells products and services	3.70	High
<b>Cap_7</b>	7. There are marketing actions, process, and strategies used by the businesses in my locality	3.65	High
<b>Overall Mean</b>		<b>3.61</b>	<b>High</b>

Table 3: Presence of marketing strategies in Barangay Kiorao, Kibawe

*Objective 3: Significant marketing strategies based on present capabilities*

	<b>Product</b>	<b>Price</b>	<b>Place</b>	<b>Promotion</b>	<b>People</b>
<b>Cap_1</b>	-0.042 0.636	0.119 0.182	<b>0.249</b> <b>0.000**</b>	<b>0.397</b> <b>0.002**</b>	<b>0.472</b> <b>0.000**</b>
<b>Cap_2</b>	0.002 0.983	0.110 0.217	<b>0.196</b> <b>0.028*</b>	<b>0.233</b> <b>0.008**</b>	<b>0.352</b> <b>0.000**</b>
<b>Cap_3</b>	0.010 0.913	0.034 0.704	0.054 0.543	<b>0.295</b> <b>0.001**</b>	<b>0.190</b> <b>0.032*</b>
<b>Cap_4</b>	0.032 0.723	<b>0.198</b> <b>0.025*</b>	<b>0.213</b> <b>0.016*</b>	<b>0.326</b> <b>0.000**</b>	<b>0.300</b> <b>0.001**</b>
<b>Cap_5</b>	-0.019 0.829	<b>0.201</b> <b>0.023*</b>	<b>0.186</b> <b>0.036*</b>	0.166 0.062	<b>0.217</b> <b>0.014*</b>
<b>Cap_6</b>	0.106 0.234	<b>0.300</b> <b>0.001**</b>	<b>0.335</b> <b>0.000**</b>	<b>0.198</b> <b>0.025*</b>	<b>0.245</b> <b>0.005**</b>
<b>Cap_7</b>	0.077 0.391	0.039 0.663	<b>0.267</b> <b>0.002**</b>	<b>0.306</b> <b>0.000**</b>	<b>0.247</b> <b>0.005**</b>

Table 4: Correlation between marketing strategies and capabilities of enterprises in Kiorao

Note. Measuring the significance using p-value of correlation coefficient

\*p<0.05

\*\*p<0.01

Table 4 summarizes the relationship between marketing strategies, the degree of satisfaction to these strategies to existing capabilities at Kiorao, Kibawe. As presented, there is a consistent positive relationship between selected existing capabilities and marketing strategies at 0.05 and 0.01 level of significance. To be specific, people strategies have consistent significant relationship with all the capabilities cited in the survey instrument. A correlation coefficient of 0.472 (with a description of weak) was observed on the business capabilities statement that states: "Resources available in my locality are utilized by individuals and groups to create products and services". Despite observing a positive correlation between the 5 Ps marketing strategy and capabilities, these are weak association.

Among the marketing strategies, it is evident that product and price strategies have no significant association with the existing capabilities among businesses in Kiorao, Kibawe Bukidnon. This means that

when product strategies and price strategies has no association with resource availability and use of local produces, at 0.05 and 0.01 significance level.

Contrary, place and promotion strategies have no corresponding relationship with the use of indigenous materials and processes, as well as customers prioritize to purchase products from nearby providers at 0.05 and 0.01 level of significance.

## 5. **Conclusion and Implications**

Based on the interpreted results, the following conclusions were drawn:

1. There are marketing strategies practiced by enterprises in Kiorao. These strategies related to place strategies, people and personnel strategies and promotion and distribution are evident; other strategies directed to product and price management were practiced only by few enterprises;
2. Overall, respondents are convinced that marketing strategies and other related efforts were implemented; and opportunities were present for existing and soon to be opened enterprises; and
3. People, place and distribution and promotional strategies were positively correlated with marketing capabilities at 0.05 and 0.01 level of significance.

Based on the results, the following recommendations are advised:

1. Increase literacy on marketing products and services in the locality. Encourage practical rural marketing practices.
2. Provide adequate avenue for financial support from both private and public sources.
3. Trainings and activities sponsored by the Local Government Unit related to business management and marketing.

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