

# **Sales Performance of Sari-Sari Stores in the Municipality of Matnog**

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## **Abstract**

*The operation of the small and medium enterprises in the Philippines has been encouraged as the strategic measure to ensure a healthy economic engagement in a locale. The presence of retail merchandising in a community as evidenced by the growing number of sari- sari stores typify the enterprising culture of the Filipinos and serves as the parameter to determine the vigor of economy of certain community.*

*This study utilized the descriptive survey method which determined the status and sales performance of sari-sari stores in the municipality of Matnog. Also, it identified the factors affecting the sales performance and problems encountered by sari-sari store store owners. Results show that the status of sari-sari stores retail business is booming and correspondingly affected by varying factors like capital, years of operation, location of business, operational expenses, and inventory of merchandise. Furthermore, the average daily sales of sari-sari stores projects minimal income and findings also reveal that sari-sari store owners encountered several problems in business operation such as daily sales were consumed by the family, unpredictable daily sales, limited supplies, and insufficiency of capital. Besides, the factors that affect the sales performance of sari-sari stores include store location, product pricing, quality products offered and quality customer service. It was concluded in the study that the manual of operation on improving sales performance of sari-sari stores is needed.*

**Keywords:** *retail business, sales performance sari-sari stores*

## **INTRODUCTION**

Indulging in business, for neophyte, is challenging and crucial for it needs a lot of effective strategies, skills, and determination. However, a lot of people consider it as a good way of making money since profit could be double or triple of the capital. Some entrepreneurs are motivated by the desire to create the next "unicorn" – a privately-held company with a valuation of over \$1 billion. Far more common is the entrepreneur who is seeking financial security. They might be excluded from traditional employment because of limited education, poor language skills, illegal discrimination, or previous incarceration. For

them, one of the best options for achieving financial security is starting a business and creating their own opportunity.<sup>[1]</sup> This scenario is acceptable since a lot of real time stories about rags to riches have lured business minded individuals to start their journey and embark to business arena.

Venturing in business is like plunging into the unknown knowing the fact that there are lots of downfalls that may occur in the process. However, businessmen have set their minds and hearts to have only one option and that is to succeed. Braverman<sup>2</sup> stresses that the ability to lean into ambiguity signifies a mature leader. It is

therefore essential to have reusable methodologies in their toolkit that can bring structure to chaos and clarity to uncertainty during ambiguous missions. This endeavor would ensure success in business and would trigger entrepreneurs to strive harder and excel in their chosen industries.

Liberalized financial and political environment in India has prompted a wave of large number of entrants into the country's rapidly growing retail industry during the past few years, without doubt, the retail industry in India is in the throes of radical restructuring. The fundamental drivers of change are increasing per capita income, growing GDP, availability of consumer finance and therefore irreversible. Retailing in general sense consists of business activities that are involved in buying and selling of goods and services to ultimate consumers for their own use – ranging from Bread butter to automobiles to apparels to airline tickets. Nowadays, the country is enjoying the fruits of peoples' capability in handling industries and visualizing the future in technology.

In India, retail business is the second largest sector that provides enough employment to Indian workforce. But retailing in India is at crossroads on the one side, retail sales are making new heights year after year and on the other side, traditional Indian retailers (Kirana stores) face numerous challenges. This is fathomable since there are changes to be expected when growth and development are desired. In addition, experts believe that retail expansion in the coming five to seven years is expected to be stronger than our Indian GDP growth, driven by changing lifestyles and by strong income growth, which in turn will be supported by favorable demographic patterns and the extent to which organized retailers succeed in reaching lower down the income scale to reach potential consumers towards the bottom of the consumer pyramid. Use of plastic money, easy availability of consumer credit will also assist in boosting consumer demand.

In essence, the retail industry is a key part of consumers' lives in Europe. In 2021, retail spending constituted a large proportion of private consumption in all European countries, i.e., typically between 30 and 50 percent. The largest and most important retail market in Europe in terms of turnover was the German market, with a

value of roughly 640 billion euros in 2019. Following Germany, the largest economies in Europe were France, the United Kingdom, and Italy, respectively. These are however not necessarily the markets with the greatest levels of retail sales growth in recent times. In 2021, that honor went to Lithuania and Estonia, both of which experienced a retail sales volume increase of over ten percent compared to the previous year. By contrast, no growth was recorded in countries like Norway and Denmark in 2021. This current circumstance implies retail business has its place in economy and therefore a need to consider its significance should be studied.

To better understand the role of retail format in an economy and its significance, one should understand what retail is and how it is different from wholesale business. Retailing consists of selling merchandise from a permanent location (a retail store) in small quantities directly to the consumers. These consumers may be individual buyers or corporate. In the world of Trade and Commerce, a retailer purchases goods or merchandise in bulk from manufacturers directly and then sells in small quantities are known as retail stores or shops. These shops may be in residential areas, colony streets, community centers or in modern shopping arcades/ malls. In fact, these retail stores all over the world have been part of peoples' lives and culture thus, having some in the community add comfort to every household due to its nearness to one's residence.

At all times, it does not consider how the merchandise is being sold. On the other hand, retail format is a blend of product range, pricing, marketing, and the way the items are displayed. A retail-format suitable for a retailer does not depend upon market practice but upon retailer's budget, merchandise, and the need of the locality. A good format draws more footfalls and helps retailer a platform to succeed and earn name and fame. These strategies would aid small-scale businessmen to venture more and be confident enough to invest resources, time and energy for the growth of the business.

In the Philippines, retail stores are very popular as venue for purchasing ready-to-wear garments, kitchen wares, appliances, school supplies, grocery, etc. A one-stop shop would encourage shoppers to visit because of the

convenience in shopping since all the things needed are found in that store. For many consumers, the main reason to make purchases in-store, is the opportunity to experience the product. In a physical store, costumers always have the possibility to test and try things on, which is a huge help to make a final decision and ultimately increases your customer satisfaction.<sup>[2]</sup> In the same manner, retail stores have been part of peoples' way of life since everyone would seek refuge in these places when supplies are inadequate.

However, the retail sector in the Philippines has been facing challenging times which got worsen due to the sudden COVID-19 pandemic. Most forms of physical retail, including supermarkets and convenience stores, hypermarkets, specialty stores, department stores, and other small and medium store owners around the country, are facing challenges owing to the lockdown and physical distancing measures. Due to the fear of contamination, many customers temporarily stopped visiting the stores. Though costumers were welcome into the stores, factors such as the limited number of people in-store capacity and frequent/regular disinfection have added unexpected costs to the retailers, restricting the profits. The increased labor demand is another factor that is challenging the retailers to be active on the market. The ban on large gatherings and social events has a huge impact on occasional and seasonal sales, which are a large part of the retailing in the country. The apparel segment has been affected greatly in 2020, especially the branded and luxury players in the market who are active in apparel and footwear due to the low demand for the product.

Interestingly, the retail industry in the country is a combination of various products varying from food and beverages to electronics and appliances, furniture, and several household products. Food and beverages have been one of the leading product segments in the market, which has been in high demand in the country. The demand for food and beverages surged during the COVID-19 pandemic. They are considered essential items, demand for perishable goods, including vegetables, fruits, meat, health drinks, and cold beverages, as people got more time to spend at home. Following the food and beverages, the demand for several personal and

household care products surged during the pandemic, helping the market to record more revenues and posted a 50% surge in revenues at the height of the pandemic. Similarly, the products that are helpful in work-from-home set-ups, such as electronic gadgets and furniture, have performed well during the year 2020.<sup>[3]</sup>

The retail stores in the municipality of Matnog have undergone a process of change in sales performance because of the onslaught of Covid-19 pandemic. However, it is good to note that after 2 years since the pandemic started, their operation still exists mightily and smoothly. With some modifications in stores' rules and procedures, employees still work, and costumers do their shopping with convenience and ease. It is remarkable that sari-sari store in the locality still operate, and their status remains untouched since consumers still patronize services, products and goods offered by retail stores.

The impact of COVID19 pandemic to the retail store owners could not be taken for granted since family and community members depend on these small-scale businesses. The sales performance has been affected negatively because costumers turn to online shopping as the easiest and the most convenient form of buying. In this manner, retail business has been affected significantly as evident in the average sales daily. Retail stores had lost its popularity and so families who depend on their income in retailing had been greatly affected, to the point that saving is a must for every household,

It cannot be denied that there are factors that contribute to the rise and fall of sales performance in the past years that could hinder the retail stores from their operation. In this present study, these factors would be examined to solve issues that could harm the welfare of the entire stores. This endeavor is an effective step to support small-scale local businesses and upgrade store owners' skills in management and supervision.

The need to conduct this study is vital since it would aid sari-sari store owners identify potential risks that could harm or unharmed their source of income. This present study would generally be of great importance to retail businesses in the municipality of Matnog especially that there are lots of travelers who are seen at roadsides and port. With this scenario,

sari-sari store owners would be given idea how to deal with every day's sales performance and analyze how to increase earnings. That is why, it is really a must to conduct this study as a powerful action to protect the retail stores from their downfall and to promote even more for its continuous success.

Considering the seriousness of the identified problem in this study, the researcher took an immense action to provide accurate data and provide effective resolutions to protect and preserve sari-sari stores in the municipality of Matnog. This undertaking is in consonance with the government's mission to support small scale business by providing mentorship, programs, and projects to assist them by linking them to bigger companies,

### **OBJECTIVES OF THE STUDY**

This study identified the status of operation of sari-sari store retail businesses along capital, years of operation, location of business, operational expenses, and inventory of merchandise. In addition, this also determined the sales performance of sari-sari stores in the Municipality of Matnog and enumerated the factors affecting the sales performance in terms of product promotion, costumer' service and consumer buying behavior. In the same manner, the problems encountered by sari-sari store in terms of sales were also determined in this study.

### **METHODS**

This study utilized the descriptive survey method in which a survey -questionnaire was used. In addition, informal interview was conducted to elicit supplementary data from the samples.

### **RESPONDENTS**

The respondents of this study were the 25 sari-sari store owners in the municipality of Matnog. The said samples were taken using purposive sampling technique and were chosen based on the convenience of the researcher. No specific requirements were vital in choosing these respondents as long as the main consideration was that they were sari-sari store owners.

### **RESEARCH INSTRUMENT**

The researcher prepared a survey questionnaire to determine the status of the sari-sari stores based on the variables included and to gather data on the sales performance of the identified retail stores in the municipality of Matnog. Along with this, items in the survey-questionnaire include those that would reveal the factors that affect the sales performance of the retail stores along location, product price, quality of merchandise and costumer' service.

To come up with valid and reliable data, the researcher crafted informal interview questions so that thorough and comprehensive information were gathered as study unfolds. In addition, a focus group discussion was conducted to triangulate the process of collecting facts and figures to the respondents.

The administration of instruments presented above eventually guided the researcher to have accurate, consistent, and adequate information.

### **STATISTICAL TOOLS USED**

*Frequency, percentage, and rank* were used by the researcher to statistically treat the data collected in this study. In a general perspective, these statistical tools indicate the percentage of observations for each data point or grouping of data points. It is a commonly used method for expressing the relative frequency of survey responses and other data.

To determine the status of the operation along capital, years of operation, location of business, operational expenses and inventory of merchandise, the researcher utilized frequency and percentage. In addition, average was used to calculate the daily sales of the sari-sari stores in a weekly basis.

In the same manner, to identify the factors that affect the sales performance of sari-sari business retails along product prices, quality merchandise and costumer services, the researcher applied frequency and rank. Also, to identify the problems encountered by sari-sari store owners, similar statistical tool was used.

### **RESULTS AND DISCUSSION**

After a thorough investigation and analysis of data gathered, the researcher was able to come up with concrete results.

Table 1.1 Status of Operation of Sari- Sari Stores

Initial Capital in Php	Frequency	Percentage (%)
25, 001-above	8	32
20,001-25,000	1	4
15,001-20,000	7	28
10, 001-15,000	6	24
5,001-10, 000	0	0
Below-5,000	3	12
<b>Total</b>	<b>25</b>	<b>100</b>

Table 1.1 presents the status of operation of sari-sari stores in the Municipality of Matnog along capital. Out of 25 store owners, eight (8) or thirty-two (32%) of them have 25, 0001-above capital while seven (7) or twenty-eight percent (28%) of them have 15,001-20,000 capitals. In addition, six (6) or twenty-four percent (24%) of the respondents have 10, 001-15,000, three (3) or twelve percent (12%) have below-5,000 and only one (1) or four percent (4%) have 20,000-25,000. However, not any one of the store owners falls within the capital from 5,001-10, 000.

The data revealed that twenty-two (22) of the store owners being asked started their sari-sari stores with a capital ranging from 10,000 to 25,000 php. These numbers signify that with these specified amounts, individuals who wish to start a business should have this on hand to fully operate. In the light of the data presented, it can be generalized that sari-sari store owners do not need that big amount of money to run a smooth-sailing business. Thus, engaging in this type of business is healthy and safe.

The prominence of sari-sari store retail business in the Philippines can be rooted in the comfort of opening a business in as much as simple way. Anyone who has the interest and inclination to put up a sari-sari store can easily start since capital can easily be acquired through mortgages form microfinancing units available in the area. This set up to accumulate capital offers hope for sari-sari store owners to augment their business and expect higher profit in return.

However, in most cases, capital for business which is dependent from loans is not stable and ends up attached to the interests by the lending organization.

This outcome was confirmed during the informal interview with one of the respondents when asked of the reasons why her sari-sari store stops operation from time to time and her answer was:

*“It is difficult when you rely on loans from microfinancing group since you need to give back the capital in a daily or weekly basis. In this manner, the revenues are not well managed and so some of the products especially those that have big capital were not purchased anymore, In the end you don’t have other choice than to close the store and the sad part is you stii need to pay the money you borrowed from lending group.”*

*(Ate Ana)*

This result was also discussed by Negosyanteng Pinoy<sup>[4]</sup> that a decent start with business costs about P50,000 while other entrepreneurs start it with a more decent budget of P30,000 or even less. A few thousand worth of capital money can jump-start the sari-sari store business with a choice selection of candies, cigarettes, and other fast-moving goods. For those with loftier visions and well-financed ventures, capital money of P70,000 to P100,000 will be realistic enough to supply a wider range of consumer goods with ample stocks to spare.

Table 1.2 Status of Sari-Sari Stores in Terms of Years of Operation

Years of Operation	Frequency	Percentage
10 yrs.-above	10	40
7-9	2	8
4-6	4	16
Below-3 years	9	36
<b>Total</b>	<b>25</b>	<b>100</b>

The figures above display the status of sari-sari stores in the Municipality of Matnog in terms of years of operations. Based on the table, it can be observed that ten (10) or forty percent (40%) of the respondents have been in the business for 10 yrs.-above while nine (9) or thirty-six percent (36%) of them have started the operation 3 years before. Additionally, four (4) or sixteen percent (16%) of the respondents have been operating for 4-6 years and two (2) or eight percent (8%) for 7-9 years.

Looking at each indicator, it can be noted that almost half of the respondents have been operating the business for at least five years now and that projects a good result since they are already immersed to the kind of business, they are engaged in. The more years in business would mean mastering all the operations, analyzing the risks of business and weighing strategies that would be of benefit to the store owners in general.

The above statement is supported by Ferguson<sup>[5]</sup> claiming that employees who have been with the company for many years have considerable knowledge of the company's culture and its products and services. They have experienced many changes within the workplace, and consequently understand what works and what doesn't. For example, long-term workers in a manufacturing company have a keen understanding of production procedures and manufacturing techniques, which ultimately leads to higher sales.

In the same manner, the study of Radipere, S. & Dhliwayo, S.<sup>[6]</sup> examined the effect of age and business size on business performance. The results show that there is no significant difference between the age categories; under one year and 20 years and more and business performance. Age is no longer a significant factor in a company's performance after twenty years. And life cycle approach of the company or industry could be an appropriate basis for analysis. The result further emphasized the effective use of employees would increase business performance and well-trained employees on technology is indeed necessary.

*Table 1.3 Status of Operation of Sari-Sari Store in Terms of Location*

<b>Location</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Near the School	8	32
Along the Barangay Road	9	36
Near the Church	4	16
Near the Barangay Hall	2	8
Within the house cluster in the community	2	8
<b>Total</b>	<b>25</b>	<b>100</b>

Table 1.3 presents the data such as the different locations of sari-sari stores in the municipality of Matnog, the frequency and its corresponding percentage. It is noticeable that out of five (5) identified locations in the community, nine (9) or thirty-six percent (36%) are located along the barangay road and eight (8) or thirty-two percent (32%) are near the school premises. Moreover, four (4) or sixteen percent (16%) are found near the church and two (2) or eight percent (8%) are located near the school just like within the house cluster in the community.

It can be deduced from the table that sari-sari store owners prefer to situate their business in areas where people come and go just like in schools and barangay roads. These places were chosen because they are filled with busy people, workers, drivers, bystanders, passers-by, commuters, buyers and many others. They consumed goods items that were stored like food, simple household stuff and ready to wear things. This set up enables store owners to earn and keeps capital rolling. Although turn outs could be few, its constant and stable operation makes sari-sari store owners motivated to continue and sell various essential items for personal use.

According to Luthor<sup>[7]</sup> the importance of location in business success cannot be understated. The location of a business positions it not only to attract a customer base but also to attract the right sort of talent to make the business a success. A business's location also helps it create a brand and image, since

there are always parts of a city that carry a reputation, whether it is a reputation for simple living or a reputation for luxurious extravagance.

Interestingly, the above claim, was backed up by Angelo.<sup>[8]</sup> He believes that choosing a business location is one of the most important aspects of starting a small business. Especially if one is running a small retail or restaurant operation, finding the right location means everything. It can dictate foot traffic, business atmosphere and long-term success for your small business. Finding the right location means understanding the right qualities to look for in a potential space. Analyzing the area, reading about potential customer demographics, and considering where competitors are located are all important aspects to finding and choosing the right location

*Table 1.4 Status of Sari-Sari Store in Terms of Operational Expenses*

<b>Nature of Operational Expenses</b>	<b>Average Amount Spent/Month in Php</b>
Electricity	Php 747.00
Transportation	475.00
Water	255.00 (for store owner)
	While 23 had free water premium)
Space Rental	None
Taxes	None
Communication	None
Advertisement	None

The data presented above exhibit the status of sari-sari stores in the municipality of Matnog along operational expenses. These expenses include electricity, transportation, water, space rental, taxes, communication and advertisement. It is visible that store owners spend 747Php for electricity, 475Php for transportation and 255Php for water expenses monthly. However, the respondents do not spend any amount of money for space rental, taxes, communication, and advertisement.

This result implies that the operational expenses of sari-sari store owners are minimal, and some are just free. This suggests that putting up sari-sari store is not so worrying in terms of expenses since they are manageable if given attention and care. This is one of the reasons why many sari-sari stores are found in different areas in the locality. Indulging in this kind of business is appealing especially for small scale business owners because of its numerous practicalities.

The idea of Kenton<sup>[9]</sup> further supports these findings. According to him, operating expenses are necessary and unavoidable for most businesses. Some firms successfully reduce operating expenses to gain a competitive advantage and increase earnings. However, reducing operating expenses can also compromise the integrity and quality of operations. Finding the right balance can be difficult but can yield significant rewards.

Notwithstanding, the Corporate Finance Institute (CFI)<sup>[10]</sup> pointed out that operating expenses are important because they can help assess a company's cost and stock management efficiency. It highlights the level of cost that a company needs to make to generate revenue, which is the main goal of a company. If a company incurs relatively higher opex as a percentage of sales compared to its competitors, that may indicate they are less efficient at generating those sales.

*Table 1.5 Frequency of the Conduct of Inventory of Merchandise*

<b>Conduct of Inventory</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Monthly	2	8
Weekly	11	44
Daily	12	48
<b>Total</b>	<b>25</b>	<b>100</b>

Table 1.5 shows the frequency of the conduct of inventory of merchandise of sari-sari stores in the Municipality of Matnog. From the table, it is noted that there are three frequencies in conducting inventory and these are done monthly, weekly and daily. 12 or 48% out of 25 sari-sari store owners conduct merchandise inventory

daily, 11 or 44% of them do it weekly and 2 or 8% of them is done once in a month.

This result implies that sari-sari store owners are certainly focused in running the business since almost half of the respondents conducts inventory of goods daily. This strategy means that they give ample time in their business especially in having a closer look on what items are available and lacking. As a matter of fact, only 2 of the respondents do the accounting of stuffs monthly and this reflects that direct management is certainly important in running a sari-sari store.

This outcome conforms to Jenkins<sup>[11]</sup> statement that merchandise inventory has an impact on the company's current assets, accounts payable, expenses and profit, which are all important measures of the financial health of a business. Therefore, accurately accounting for merchandise inventory is critical. since this directly affects the company's gross profit for the period, because gross profit is calculated by subtracting COGS from net sales.

Furthermore, merchandise inventory guaranteed the smooth flow of goods and maintain the stability of the company. With well controlled goods inventory, it will not disrupt the smooth operation of the company so that the company can still meet market needs. In this case the customers will feel valued, so they are loyal to the company.<sup>[12]</sup>

*Table 2.0 Average Daily Sales of Sari-Sari Stores in a Week*

<b>Days a Week</b>	<b>Average Daily Sales in Php</b>
Monday	Php 722.00
Tuesday	793.00
Wednesday	755.00
Thursday	820.00
Friday	820.00
Saturday	742.00
Sunday	846.00
<b>General Average</b>	<b>785.00</b>

The data above shows the average daily sales of sari-sari stores in the Municipality of Matnog in a week. It can be understood that Sunday has the highest sales in a week with an

average of 846Php and followed by Thursday and Friday with 820Php. Likewise, Tuesday got an average sale of 793Php, Wednesday with 755Php, Saturday with 732Php and Monday with 722Php respectively. Weekly sales have a total average of 785Php.

It can be concluded that the daily average sales of the sari-sari stores in the municipality of Matnog is minimal as evident in the figures presented above, Furthermore, it can also be deduced that Sunday, as the busiest day for family and friends, needs to be look forward to since there are lots of buyers coming in. On this particular day, store owners see to it that supplies will last until the next days so as to give what costumers need. Along with this, sales also upsurge every Thursday and Friday since the movement of commuters such as workers and students who went home for a weekend, is truly a common sight in terminals, crossings, waiting sheds, roads and elsewhere.

Delving deeper into the sales performance of sari-sari stores in daily basis, it is but essential to include costumers' credit since it is unavoidable based from observation and cultural perspective. The lends whether small or big is considered as sales to be collected on dates agreed upon by the parties. The data presented above may slightly change since these collectibles are sales due to be paid on or before the scheduled payment.

This result and observation are agreed upon by Featherson<sup>[13]</sup> stating that independent businesses made £504m in sales during this year's Small Business Saturday – up £36m on last year, according to research commissioned by American Express. Across the UK, 16.5 million people chose to shop at a local, independently owned business on Saturday. The annual campaign, which originated in the US and was first held in the UK last year, encourages consumers to support small shops and businesses in their community. Those visiting independent shops or small businesses spent £30.56 per person and a third of shoppers said they had spent at least 25% more than they would on a typical Saturday. Small Business Saturday was launched in the US five years ago by American Express, who are supporters of the event in the UK.

Not surprisingly, the reflection of Mukherjee, W. & Malviya, S.<sup>[14]</sup> is indeed



undisputable due to pandemic effect. According to them, weekend shopping that accounted for over half of retail sales during pre-Covid period has now shrunk to a third, as Indian consumers venture out more during weekdays and office hours. Companies across groceries, apparel and electronics segments said this change in shopping habit was mainly due to closure of multiplexes, the fear of enjoying the weekend in malls unlike in pre-Covid amid a surge in the infection.

*Table 3.1 Location as a Factor that Affects Sari-Sari Store Sales Performance*

Indicators	Frequency	Rank
Sari-sari stores located within the residence of prospective customers hence better sales	18	1
Sari-sari stores along busy streets have more clients	17	2
Clean and well-organized sari-sari stores draw	15	3
Better sales are noticed by the sari-sari stores near the church/school	12	4
Sari-sari stores situated in a locale with electricity, water supply, communication means and accessible to transportation experience high sales	11	5

Table 3.1 presents the data on location as factor that affects sales performance of sari-sari stores in the Municipality of Matnog in the

Province of Sorsogon. It can easily be said that 18 out of 25 sari-sari store owners believe that stores located within the residence of perspective customers has the biggest sales among other locations in the locality. Correspondingly, 17 out of 25 respondents consider sari-sari stores along busy streets have more clients and 15 of them agree that clean and well-organized sari-sari stores draw attention from costumers. In addition, 12 respondents point out that better sales are noticed when sari-sari stores are near the church/school however, 11 of them approve that sari-sari stores situated in a locale with electricity, water supply, communication means and accessible to transportation also experience high sales.

This result points toward the impression that location matters in putting up sari-sari stores. The busier and crowded the place means better sales performance. Stores near residence, street, church, and school are good locations to acquire higher sales since they are point of transactions, travel and interactions. This factor should be given emphasis in order to accumulate higher revenue as well as stability of business.

Schnotz<sup>[15]</sup> supported the claim that location plays a vital role in the success of any business. A good location is important to the success of a retail business. For small businesses, the advantages to opening a retail store in a busy area can include improved revenue and increased marketing exposure. Setting up a retail business in a busy area can cost more in rent and leasing costs than a location in a more remote area. But for a small business on a budget, the advantages to a busy location can outweigh the extra costs.

However, as 2019 progresses, the high-street's in-store visits continue to decline. The recent data by Retail Traffic Index<sup>[16]</sup>, compiled by Ipsos Retail Performance, found that footfall declined far more than anticipated. Overall footfall numbers fell by 9.8 per cent compared to August 2018. Figures were most dramatic in London and the Southeast, where numbers were down by 18.1 per cent year-on-year and 9.1 per cent on the previous month. It could be argued that although the UK's capital failed to deliver footfall numbers, its demographic is increasingly lured towards online shopping much more so than the rest of the country.

*Table 3.2 Product Prices as a Factor that Affects Sari-Sari Store Sales Performance*

<b>Indicators</b>	<b>Frequency</b>	<b>Rank</b>
Sari-sari store that adheres to SRP attract customers.	21	1
Product prices that are competitive and affordable are patronized by customers,	19	2
Sari -sari stores that offer variety of products and have fair and low prices draw more clients.	13	3
Sari-sari stores that sustain price label of the products attract clients.	7	4
Sari -Sari stores that practice premium pricing (higher price to quality/well known products) sustain customer.	6	5

The table above displays data related to product pricing of sari -sari stores in the municipality of Matnog. First in rank are those sari-sari stores that adhere to suggested retail price (SRP) attract customers as preferred by 21 respondents. This is followed by the concept of 19 respondents that prices which are competitive and affordable are patronized by customers. Additionally, 13 out of 25 store owners are confident that sari -sari stores which offer variety of products and have fair and low prices fascinate more clients. Besides, 7 store owners sustain price label of the products attract clients and 6 of them accept that practicing premium pricing sustain customer.

This result implies that costumers have set their own standards on product pricing and even purchasing. The price of products entails certain characteristics that entice them to

patronize goods being sold. Products with SRP, quality and low prices often are preferred by buyers. To deal with these ideals, sari-sari store owners deliberately follow or give what costumers need and demand in order to boost sales performance.

The study of Zhao, H. et.al.<sup>[17]</sup> focuses on the relationship between product pricing, product packaging and the buying behavior of consumers. The research was conducted on university students in China and conducted on 500 students for data collection using online and offline sources. The study results clearly show that both product pricing and packaging have a statistically significant relationship with the buyer's decision process. Despite knowing that both the variables have a statistically significant relationship with the consumer buying behavior, it is essential to understand the managerial implications.

On the contrary, Keefer<sup>[18]</sup> stressed that pricing can influence whether a consumer purchases a product. Although product price matters to a purchaser, it is important to the seller as well. It takes a combination of favorable market trends, product quality, consumer liking and product differentiation along with correct pricing to generate sales, which lead to the success of a product. When considering the pricing factor, setting prices too high or too low can affect sales.

*Table 3.3 Quality Merchandise as Factor that Affects Sari-Sari Store Sales Performance*

<b>Indicators</b>	<b>Frequency</b>	<b>Rank</b>
Non-inclusion of defective products and expired items among the items sold gains customer patronage	16	1.5
Sari-sari stores offering quality products resulted to more return customers and repeat orders	16	1.5
Sufficiency of well-stocked basic goods and seasonal commodities draws more customers	14	3
The presence of well-packed commodities and products with quality packaging attract customers	10	4
Sari-sari stores with branded commodities offered are preferred by most of the customers	8	5

The data presented above depicts quality merchandise as factor that affects the sales performance of sari-sari retail business in the municipality of Matnog. It can be understood from the table that the first and the second indicators have been favored by 16 respondents out of 25. The leading factor in sales performance is that quality products and non-inclusion of defective and expired items gained popularity among costumers. This is followed by sufficiency of well-stocked basic goods and seasonal commodities draws more customers with preference by 14 respondents. Also, the factor which is in the fourth rank is that the presence of well-packed commodities and products with quality packaging attract customers. Lastly, 8

respondents point out that sari-sari stores with branded commodities offered are preferred by most of the customers.

This result portrays authenticity since consumers would always purchase quality products for longer use. Defective and expired items turn off buyers to repurchase at retail stores where they happened to acquire such. Another truth revealed is that costumers are not so much fond of branded or popular items since what matters to them is the quality of products found in retail stores.

Along with this, Indeed Editorial Team<sup>[19]</sup> pronounces that product quality is important because it affects the success of the company and helps establish its reputation in customer markets. When companies can create high-quality products that continue to meet customer demands, it can lead to fewer production costs, higher investment returns and increases in revenue

To support this claim, Helall<sup>[20]</sup> conducted a study on the importance of product quality as a way to attract consumers in the technology market. The study concluded with a set of results that product quality has an important role in choosing the final consumer, and that meeting consumer needs is one of the most important concerns of institutions to satisfy their customers. The study also concluded that good product builds trust between the company and the final consumer.

*Table 3.4 Customer Service as Factor that Affects Sari-Sari Store Sales Performance*

<b>Indicators</b>	<b>Frequency</b>	<b>Rank</b>
Friendly atmosphere accorded by the stores ensures customer patronage	19	2
Understanding the customers' needs and providing their product needs result to better store sales	20	1
Helpful, considerate and enthusiastic services of store owners and staff gain more customers	17	3
Being transparent in the delivery of product information draws more customers	14	4

Table 3.4 presents another factor that affects sales performance of sari-sari stores in the municipality of Matnog which is customer service. Among the five indicators, first in rank is understanding the customers' needs and providing their product needs result to better store sales which is preferred by 20 respondents. Secondly, out of 25 sari-sari store owners 19 believes that friendly atmosphere accorded by the stores ensures customer patronage. Additionally, helpful, considerate and enthusiastic services of store owners and staff gain more customers ranks third with 17 respondents respectively. Lastly, being transparent in the delivery of product information draws more customers with 14 respondents.

The implication of this result is that excellent customer service attracts buyers to purchase goods and services to any establishment. This effective tactic would not only keep loyal customers but accrue more sales and would guarantee non-stop and constant flow of operation. Satisfied customers would unceasingly patronize merchandise because of comfort and fulfillment they experience every

time they purchase items. Delving deeper, this result projects that store owners with workers and crew who are caring and passionate are fortunate enough to keep customers to uninterruptedly support items and services offered by the shop or bazaar.

Remarkably, Perez<sup>[21]</sup> shares the idea that by providing good customer service experiences, customers will associate that good feeling with the transaction. They will then be more likely to come back and transact with the business again. Good customer service will effectively assist and empower customers through the entire purchasing process. From pre-purchase, through their purchase and all the way to their post-purchase experience.

The study conducted by Calvet et. al.<sup>[22]</sup> found that service providers also benefit from delivering good customer service in the form of enhanced emotional well-being and inoculation against negative, damaging emotions. To some extent, understanding that delivering good customer service is emotionally lifting to the service providers helps to resolve the pressure of having to engage in acting to please customers. Researchers identified two levels of acting—surface and deep. Based on the results, service providers can be coached to focus on understanding how delivering good service makes them feel and the subsequent emotional payoffs they can gain from it. This may help to reduce employee burn-out and turnover whilst maintaining happy customers and a healthy bottom-line. Therefore, training employees to focus on how good customer service benefits themselves creates a positive feedback loop that benefits customers, service providers, and organizations alike.

*Table 4.0 Problems Encountered by Sari-Sari Store Owners Affecting Sales Performance*

<b>Problem</b>	<b>Frequency</b>	<b>Rank</b>
Daily store income has been consumed by the family needs and consumption	18	1
Unpredictable daily sales	15	2.5
Having a single/limited suppliers where to outsource complete and affordable goods	15	2.5
Limited capital to sustain running the store well	14	4
Lack of differentiation from other sari-sari store in the same locale	13	5
Lack of store management skills on the part of the owners and staff	11	6
Lack of cooperation among family members in managing the store	10	7
Owner's failed to handle credit practices among customer	9	8

The statistics shown above demonstrate the problems encountered by sari-sari store owners in the municipality of Matnog which affect sales performance. Eight indicators were identified and the most problem was daily store income has been consumed by the family needs and consumption. This is followed by unpredictable daily sales and having a

single/limited suppliers where to outsource complete and affordable goods. Likewise, 14 respondents acknowledge limited capital to sustain running the store well and 13 of them believe that lack of differentiation from other sari-sari store in the same locale are issues that need to be resolved. Similarly, 10 store owners argue that lack of cooperation among family members in managing the store is really a problem whereas 9 of them argue on the owner's relationship towards credit.

This result projects that maintaining the status of retail business is not an easy thing to do and whether small or big, business has issues to be fixed in the soonest possible time so not to incur greater damage on the operation and sales performance. Sari-sari store owners in this case, opt to lay on the table plan A or B that could normalize the situation and keep the business going. Also, partnership with the crew and harmonious relationship with other workers are possible and tangible keys to avoid untoward result brought about by difficulties in the sales performance.

The real picture of the retail business in the Philippines is discussed in a recent report, Philippines Retail Sector - Growth, Trends, Covid-19 Impact, And Forecast.<sup>[23]</sup> It validates that the retail sector in the Philippines has been facing challenging times in the study period, which got worsened due to the sudden COVID-19 pandemic. Most forms of physical retail, including supermarkets and convenience stores, hypermarkets, specialty stores, department stores, and other small and medium store owners around the country, are facing challenges owing to the lockdown and physical distancing measures. Due to the fear of contamination, many customers temporarily stopped visiting the stores. With this scenario, problems need to be fixed and retailers must create measures to mitigate the ill-effects of this pandemic.

Jayona's<sup>[24]</sup> study, discovered whether there is a significant difference between retail and wholesale businesses in terms of financial ratios and convenience. The study was conducted in selected businesses in Manila. Data were gathered from fourteen (14) respondents through a self-constructed survey questionnaire which encompassed categories (Time Management, Location, Products, Well-Being) relating to their

convenience as business owners. The researchers found out that there is no significant difference in convenience between retail and wholesale businesses in terms of the above-mentioned categories, although the wholesalers have a slight advantage in the overall convenience. In terms of financial ratios, there is a significant difference between the two types of businesses when their Gross Profit Margin (GPM), Net Profit Margin (NPM) and Times Interest Earned (TIE) were compared. The retailers have a slight advantage on their GPM, while wholesalers have slight advantages in NPM and TI.

### SUMMARY AND CONCLUSION

Based on the result, the status of sari-sari stores retail business in the Municipality of Matnog is booming and correspondingly affected by varying factors like capital, years of operation, location of business, operational expenses, and inventory of merchandise.

In addition, the average daily sales of sari-sari stores projects minimal income and the factors that affect the sales performance of sari-sari stores include store location, product pricing, quality products offered and quality customer service.

It was also found out that sari-sari store owners encountered several problems in business operation such as daily sales were consumed by the family, unpredictable daily sales, limited supplies, and insufficiency of capital.

Moreover, a manual of operation on improving sales performance of sari-sari stores is needed to be considered by sari-sari store owners to ensure a better sales performance.

### RECOMMENDATION

The researcher thereby suggests that best practices of sari-sari stores entrepreneurs and the role of DTI in the development of sari-sari stores in the locality be studied.

In line with the result of this study, sari-sari store owners and those who would like to start their sari-sari store be advised to seek assistance from the LGU thru the Department of Trade and Industry (DTI) and Go Negosyo Program. which promotes establishment of micro, small and medium enterprises for proper guidance.

Furthermore, products and services which costumers' need should be included and displayed in the store to ensure better sales performance thru strategic marketing.

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