

## **Marketing Mix and Its Influence on Income, Per Day Customer and Employee Turnover: An Analysis of Selected Food Establishments in Robinson's Place Malolos**

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### **Abstract**

The study assessed the influence of marketing mix on the income, per day customer and employee turnover of selected food establishments at Robinson's Place Malolos namely: Chowking, Mang Inasal, and Gerry's Grill. The respondents of the study were the employees and clients of the selected food establishments. Research has found that good marketing strategies may be continuously done to reach target markets. It may start with market research, in which needs and attitudes of consumers are assessed as well as competitors' products. Marketing mix strategies have been employed by respondents to a great extent and these have been found to have significantly influenced income per month, per day customer and employee turnover. Selected establishments may consider delving deeper into the possibility of lowering prices, improving their employee turnover rate.

*Keywords: marketing mix, income, employee turnover*

## 1. Introduction

The main purpose of every business is to gain profit as it is essential to its existence. Profits are the lifeblood of any business organization on which its operations are dependent upon. However, business profitability can be best achieved if both short-term and long-term strategies (Kyle, 2004) in the business are carefully planned and executed.

Based on the final results of the 2010 Annual Survey of Philippine Business and Industry (ASPBI) conducted nationwide, with 2010 as the reference year, about 14, 937 establishments are engaged in accommodation and food services, with restaurants and mobile food service activities producing the highest revenues at PhP 209.6 billion (PSA, 2013). Of this figure, 9.2 billion or 4.4 percent was distributed among event catering and other food services activities, beverage serving activities and other accommodations. On the other hand, the 2016 Company, Sector, Industry, Market Research (csimarket.com) reported a 45.31% gross margin figure for the second quarter of 2016 solely for the restaurant industry.

Albeit at times it is hard to substantiate the influence of marketing strategies or marketing mix for that matter, in the realization of profits or benefits achieved by the business, yet the contribution of each operation, including marketing, in management of the firms can be scientifically projected (Sigalla-King, 2013).

Over the years, marketing has, in most cases, been regarded as a process that concentrates on the important mechanisms of creating and fulfilling satisfactory consumer and company exchanges. From a purely theoretical standpoint, marketing as a process guarantees that all aspects of a marketing program are presented in a consistent, simple, and disciplined manner. The essence of marketing, then, becomes that of defining a target market and developing the marketing mix that meets the wants and needs of the particular target segment.” (Crittenden, 2005).

Over time, it has become apparent that marketing is crucial for the enhancement of business as marketing has likewise evolved over time. However, improved profitability is often assumed as a result of improved business, so that there is always a misperception on the extent to which marketing helps organizations to improve business’ income.

It is a must that any business establishment prepare a marketing plan to be used in their marketing strategic planning and firm strategic planning. The role of marketing planning and strategy on sale cannot be overemphasized particularly in a dynamic and increasingly competitive business environment. A profitable sale is usually impacted by an effective and efficient marketing planning and strategy.

For this reason, marketing strategists as sophisticated persons in this field need to know about the marketing condition in present time. Comprehending the priorities in this field of industry is very considerable (Keramati et al., 2012)

In addition, sales performance is one of the most important factors that make up the marketing infrastructure that can satisfy the needs of the company and adjust the level of expectations. According to Crittenden (2005), marketers have done an excellent job of implanting in the minds of those concerned in business the 4Ps of the marketing mix.

According to Lin (2011), to cope with change in consumers’ behavior, the number of fast food in Taiwan has increased year by year, from 260 stores in 1995 to more than 700 stores in 2011, the growth of which is three times more than the former. There were even four or five fast food stores in one kilometer, which shows an austere competition environment. In such severe state of competition, some fast food stores have stood out but some fast food stores withdrew from the market due to bad business operations.

A study by Palade (2011) concluded that there is no significant association between the respondent's purchasing mode and occupation. The reason behind is that any person, regardless of his employment or education status can order and buy the products.

In the event of financial crisis, destroying the market leader's pricing strategies are most effective for businesses like groceries, produce and bread. However, market penetration would be barely significant (Chen, 2011). Moreover, his study found that pricing is strongly correlated to promotions strategy and most respondents claimed that they raise their prices to maximize profits and lower the same to entice more customers.

Kotler (1984 in Sigalla-King, 2013) adds that "marketing is specifically concerned with how transactions are created, stimulated, facilitated and valued." Profit is usually the excess of accrued revenue/sales over operating expenses. Therefore, "rises in cost are threats in profits especially where the marginal increase in cost are not easily passed to the consumer and where cost minimization strategies are not deliberately pursued as means of reducing total cost, which will in turn improve profitability" (Ogbadu, 2009).

Generally, profits are casual features of many components including marketing, pricing, place, labor (people) and so forth. A study by Ton (2008) found that profitability was enhanced through increased workforce or labor (people). This was further supported by Fisher et al. (2006), who indicated that higher sales which led to great profits for the firms, were closely associated with increased labor in more areas at a store.

King and Lenox (2002) found that some businesses are hesitant in increasing their workforce as it is associated with increased cost rather than increased profits. Profits in the modern world seem to be connected with marketing strategies or marketing mix.

In this regard, some studies (Chiliya, Herbst and Roberts-Lombard, 2009; Norman, 2010; King, 2013; Oloko, Anene, Kiara, Kathambi and Mutulu, 2014)) have found that profitability increased due to the marketing strategies employed than the effect of price, quality, and place.

It is therefore the objective of the study to assess the effects of marketing mix utilization on some factors affecting profitability of food establishments at Robinson's Mall Malolos.

## **1.1 Theoretical Framework and Statement of the Problem**

This study had its theoretical underpinnings on the Marketing Mix theory of McCarthy (1964, In Goi, 2009) which was often referred to as the 4Ps – Product, Promotion, Place and Price. McCarthy's model can be utilized in both long-term strategies and short-term tactics. The marketing mix can be altered depending on the type or nature of the business and differ from business to business (Palmer, 2004 In Goi, 2009).

This theory of McCarthy was further expanded by several theorists adding to it several elements of the marketing mix: Booms and Bitners' (1980) 7Ps which added people, physical evidence and process; Kotlers' (1986), which included political power and public opinion formation to the Ps; 12 Ps and Baumgartner's (1991) 15 Ps which was composed of product (or service), price, promotion, place, people, politics, public relations, probe, partition, priorities, position, profit, plan, performance, and positive implementation.

Kotler, in an interview by Mahalan (2013), said that "the 4Ps of marketing is still king." All of the extended marketing mix theories are welcome, even the possibility of the advent of a radically different model or theory. In a competitive marketplace, all strategies work to determine which, among the different marketing mixes is better or whether the new model works more effectively than the previous one.

The study assessed the influence of marketing mix utilization on the profitability of food establishments namely *Chowking*, *Mang Inasal*, and *Gerry's Grill* at Robinson's Place Malolos. Specifically, the study sought answers as to what extent do the food establishments utilize the marketing mix, their level of profitability as measured by customers per day, net income per month and employee turn-over; the extent to which marketing mix influence the said factors of profitability; and the implications drawn from the findings of the study.

## 1.2 Hypotheses of the Study

The following hypotheses were tested at .05 level of significance.

H<sub>0</sub>1: *The utilization of marketing mix does not significantly influence income per month of food establishments at Robinson's Place Malolos*

H<sub>0</sub>2: *The utilization of marketing mix does not significantly influence per day customer of food establishments at Robinson's Place Malolos*

H<sub>0</sub>3: *The utilization of marketing mix does not significantly influence employee turnover of food establishments at Robinson's Place Malolos*

This study involved all employees and customers of selected food establishments of the Robinson's Place Malolos from November 2015 to January 2016.

## 2. Materials and Methods

The study utilized the descriptive survey type of research which was concerned with the description of the present situation, current practices, characteristics of groups of individuals as well as their behavioral patterns, attitudes, and opinions. The analysis of the utilization of marketing mix (seven P's) in terms of product, price, promotion, place, personnel, procedure management, and physical assets and their effects on profitability was the highlight of this research.

Standardized structured questionnaire on marketing mix was used as primary data gathering tool. Documentary analysis was also utilized in analyzing the profitability of food establishments at Robinson's Place Malolos.

The respondents were the employees and clients of selected food establishments at Robinson's Place Malolos. Employee-respondents were composed of employees of select establishments as follows: Gerry's Grill (45), Chowking (26), and Mang Inasal (45); while client-respondents comprised of clients from Gerry's Grill (222), Chowking (255), and Mang Inasal (232).

### 2.1 Instrument of the Study

This study utilized a standardized instrument that assessed the food establishments' utilization of marketing mix. The instrument was adopted from the study conducted by Morrish (2011) which was tested for its internal consistency of .93, hence making its content highly reliable.

### 2.2 Data Gathering, Processing and Statistical Treatment

The mode of data gathering was the questionnaire method. Each of the respondents was given a structured set of questions. In gathering the data, the researcher sent a letter to the managers of selected food establishments to ask permission in the conduct of proposed study. With the approval of the manager, the researcher commenced the distribution of the questionnaire and

personally interviewed employees and clients. The questionnaires were retrieved and checked for completeness

The data collected were tabulated and processed using the Statistical Packages for Social Sciences (SPSS). In order to analyze and interpret the data gathered, the following statistical measures were used:

- ❖ The utilization of marketing mix (product, price, promotion, and place) was quantified using the following scale:

<b>Rating Scale</b>	<b>Range</b>	<b>Analytical Description</b>	<b>Interpretation</b>
5	4.50-5.00	Utilization of marketing mix is very extensive and functioning excellently	Very Great Extent
4	3.50-4.49	Utilization of marketing mix is moderately extensive and functioning very well	Great Extent
3	2.50-3.49	Utilization of marketing mix is adequate and functioning well	Moderate Extent
2	1.50-2.49	Utilization of marketing mix is limited but functioning well	Least Extent
1	1.00-1.49	Utilization of marketing mix is limited and functioning poorly	None at all

- ❖ The influence of marketing mix utilization on the food establishments’ profitability was quantified using correlation and regression analysis.

### **3. Results and Discussions**

**3.1 Marketing mix and per day.** Results of the regression in Table 1 revealed that the utilization of marketing mix in terms of price, place, promotion, personnel, procedure management, and physical asset produced B coefficients of 1003, 4999, 6620, 4215, 8468, and 1330 with associated probability less than the significance level set at .05. The findings indicated that every unit increase in the price, place, promotion, personnel, procedure management, and physical asset could generate a .05, .24, .359, .162, .501, and .058 increases in the number of customer per day.

The obtained Beta coefficients of .05, .24, .359, .162, .501, and .058 indicate that the price, place, promotion, personnel, procedure management, and physical asset contribute almost the same significant effects on the number of customer per day. The factor product also contributed to the number of customer per day but not to a significant extent. The obtained F-ratio of 455.8 which was found significant at .05 alpha indicated that the utilization of marketing mix formed a very significant set of predictors for the number of customer per day of food establishments

Table 1

*Regression Analysis of Marketing Mix Utilization on the Number of Customer per Day*

Variables	Unstandardized Coefficients		Standardized Coefficient	T	P-value
	B	S.E	Beta		
(Constant)	239245	2546.78		93.94	.000
price	1003.496	449.042	0.05	2.235	0.026
place	4999.75	585.117	0.24	8.545	.000
promotion	6620.099	812.808	0.359	8.145	.000
product	439.851	820.903	0.016	0.536	0.592
personnel	4215.679	757.047	0.162	5.569	.000
procedure management	8468.706	728.398	0.501	11.626	.000
physical asset	1330.489	670.05	0.058	1.986	0.047
R-squared – .892					
F – 455.8					
p-value - .000					
alpha - 0.05					

**3.2 Marketing mix and net income per month.** Results of the regression in Table 2 revealed that the utilization of marketing mix in terms of price, place, promotion, personnel, procedure management, and physical asset produced B coefficients of .9, .27, .12, .21, .25, and .10 with associated probability less than the significance level set at .05. The findings indicated that every unit increase in the price, place, promotion, personnel, procedure management, and physical asset could generate a .156, .44, .224, .27, .492, and .145 increases in the net income per month.

The obtained Beta coefficients of .156, .44, .224, .27, .492, and .145 indicated that the price, place, promotion, personnel, procedure management, and physical asset contributed almost the same significant effects on the net income per month. The factor “product” also contributed to the net income per month but not to a significant extent. The obtained F-ratio of 281.3 which was found significant at .05 alpha indicated that the utilization of marketing mix formed a very significant set of predictors for the net income per month of food establishments.

Table 2  
*Regression Analysis of Marketing Mix Utilization on the Net Income per Month*

Variables	Unstandardized Coefficients		Standardized Coefficient	T	P-value
	B	S.E	Beta		
(Constant)	0.719	0.009		78.999	.000
price	0.9	0.002	0.156	5.817	.000
place	0.27	0.002	0.44	13.083	.000
promotion	0.12	0.003	0.224	4.225	.000
product	0.002	0.003	0.022	0.602	0.547
personnel	0.21	0.003	0.27	7.702	.000
procedure management	0.25	0.003	0.492	9.518	.000
physical asset	0.1	0.002	0.145	4.173	.000
R-squared – .707					
F – 281.3					
p-value - .000					
alpha - 0.05					

**3.3 Marketing mix and employee turnover.** Results of the regression in Table 3 revealed that the utilization of marketing mix in terms of price, place, promotion, product, personnel, procedure management, and physical asset produced B coefficients of -45.1, -79.7, -75.97, -24.62, -50.33, -28.39, and -41.78 with associated probability less than the significance level set at .05. The

Table 3  
*Regression Analysis of Marketing Mix Utilization on the Number of Employees' Turnover*

Variables	Unstandardized Coefficients		Standardized Coefficient	T	P-value
	B	S.E	Beta		
(Constant)	237.044	28.875		8.209	.000
price	-45.137	5.091	-0.288	-8.866	.000
place	-79.725	6.634	0.489	-12.018	.000
promotion	-75.971	9.215	0.528	-8.244	.000
product	-24.621	9.307	0.116	-2.645	0.008
personnel	-50.337	8.583	-0.248	-5.865	.000
procedure management	-28.393	8.258	0.215	-3.438	0.001
physical asset	-41.784	7.597	-0.231	-5.5	.000
R-squared – .571					
F – 155.3					
p-value - .000					
alpha - 0.05					



findings indicated that every unit increase in the price, place, product, promotion, personnel, procedure management, and physical asset could generate a -.288, -.489, -.528, -.116, -.248, -.215, and -.231 decreases in the employees turnover.

The obtained Beta coefficients of -.288, -.489, -.528, -.116, -.248, -.215, and -.231 indicated that the price, place, promotion, product, personnel, procedure management, and physical asset contributed almost the same significant effects on the employees' turnover. The obtained F-ratio of 155.3 which was found significant at .05 alpha indicated that the utilization of marketing mix formed a very significant set of predictors for employees' turnover of food establishments.

Some implications drawn from the study were:

- Good marketing strategies may be continuously done to reach target markets which may start with a good market research, which assesses consumers' needs and attitudes as well as competitor's products.
- Marketing strategy may concentrate on delivering greater value to customers at a lower cost. However, one of the most complex issues facing managers is quantifying the return on investment from marketing expenditures
- To measure the effectiveness of marketing strategies employed, the marketing function has to be broken down into constituent parts. By doing this, decision-makers will finally be in a position to relate marketing expenses to shareholder value and to understand how to tie marketing initiatives back into the value.
- The manipulation of price variation and price promotion, research, advertising, product differentiation, quality, packaging and place may yield increased returns for firms.
- The pricing policy that is favored by customers will stimulate repeat purchases and eventually profitability.

#### 4. Conclusions and Recommendations

In the light of the foregoing, it could be concluded that since marketing mix is crucial for the success of any business amidst the severe competition environment, it is utilized by the selected food establishment *to a great extent*. On the average, the food establishments cater to 583 customers per day, earn an average of approximately P 315.000 per month and a 93% average employee turnover. The utilization of marketing mix significantly influence income per month, per day customer and employee turnover of selected food establishments.

Based on the findings and conclusions of the study, the following recommendations are hereby brought to fore: (1) That the select food establishments further study the possibility of lowering their prices as this was noted to be the marketing strategy that has the lowest mean; (2) That food establishment administrators may look into the turn-over of employees and better improve the turn-over rate; and (3) That the managers of food establishments consider the implications drawn from the findings of the study.



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