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The Impact of One Town One Product Program on Business Environment on Selected Areas in Cavite, Philippines

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ABSTRACT

The main purpose of the study was to determine the impact of One Town One Product (OTOP) Program on Business Environment in selected areas in Cavite namely: Amadeo, Alfonso, Indang, General Trias and Bacoor, Cavite and to determine its' strengths, weaknesses, opportunities and threats. A self-made questionnaire constructed by the researcher was the primary tool in achieving the researcher's purpose of the study. It was participated by thirty (30) respondents per area which composes of entrepreneurs, beneficiaries and the local government units (LGU) with a total of one hundred fifty (150) participants. For the methodology, the study utilized the Frequency-Percentage Distribution, Weighted Mean and Analysis of Variance (ANOVA). For the conclusion, the findings of the study show the profile of entrepreneur who avails the program were employed; age between 30-39 years old, married; college graduate and with 1 to 9 years length of service, most of the respondents engaged in merchandising type of business; chosen a partnership form of business organization and was established for one (1) to nine (9) years. Finding shows that OTOP program has a high impact in economic under the external environment due to a great contribution to the economic condition in different areas for the reason that it gives employment and generates income to the people in the area with the mean of 4.1067 while in the internal environment marketing got a high rank because they provided training for each entrepreneur, support their products designs and labelling and product promotions.

Keywords: OTOP-One Town One Product, Business Environment

Introduction

People generally want to have a stable source of income, but it requires a lot of effort and hard work being an employee or being an Entrepreneur. It is an undeniable fact that most of the Filipinos' set their mind to be employed rather than to become an Entrepreneur. The fear to take risk, the lack of knowledge and capital are some of the reason for not getting involve in business.

The government is one of the most important factor that will help each individual to change this kind mindset. Through government development projects and support, the Entrepreneurial mindset will follow. A town with an entrepreneurial mindset often drawn to opportunities, innovation and new value creation.

Moreover, the regional and national government projects main purpose is to reduce poverty, to revitalize local economies and to create micro-enterprises, as embodied in One Town One Product (OTOP) Program.

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The One Town One Product (OTOP) program as discussed in the Department of Trade and Industry, was adopted by former President, Gloria Macapagal Arroyo that promote entrepreneurship and create employment and it includes the following: Business Counseling, Skills and Entrepreneurial Training, Product Design Development, Appropriate Technologies, and Marketing.

Furthermore, Villafuerte (2011) pointed that OTOP program was a novel concept which seeks to identify a core product in each town, as a starting point in the creation of employment.

Purpose

The main purpose of the study was to determine the impact of One Town One Product (OTOP) Program on Business Environment in selected areas in Cavite namely: Amadeo, Alfonso, Indang, General Trias and Bacoor, Cavite, Philippines.

To this, the researcher became interested in the study to be able to satisfy her eagerness to know the following:

Research Questions

1. What is the Profile of entrepreneur who avails the program in terms of the following: Age, Civil Status, Social Status Highest Educational Attainment and Length of Service?
2. What is the Business Profile of Entrepreneur who avails the program in selected areas in Cavite according to: Business Name, Location, Product Name, Types of Business, and Forms of Business Organization and Years of Establishment of Business?
3. What is the impact of One Town One Product Program in External and Internal Environment of Business?
4. Is there a significant difference between the impact of OTOP on the business environment in selected areas in Cavite both on the external and internal environment?

Conceptual Framework

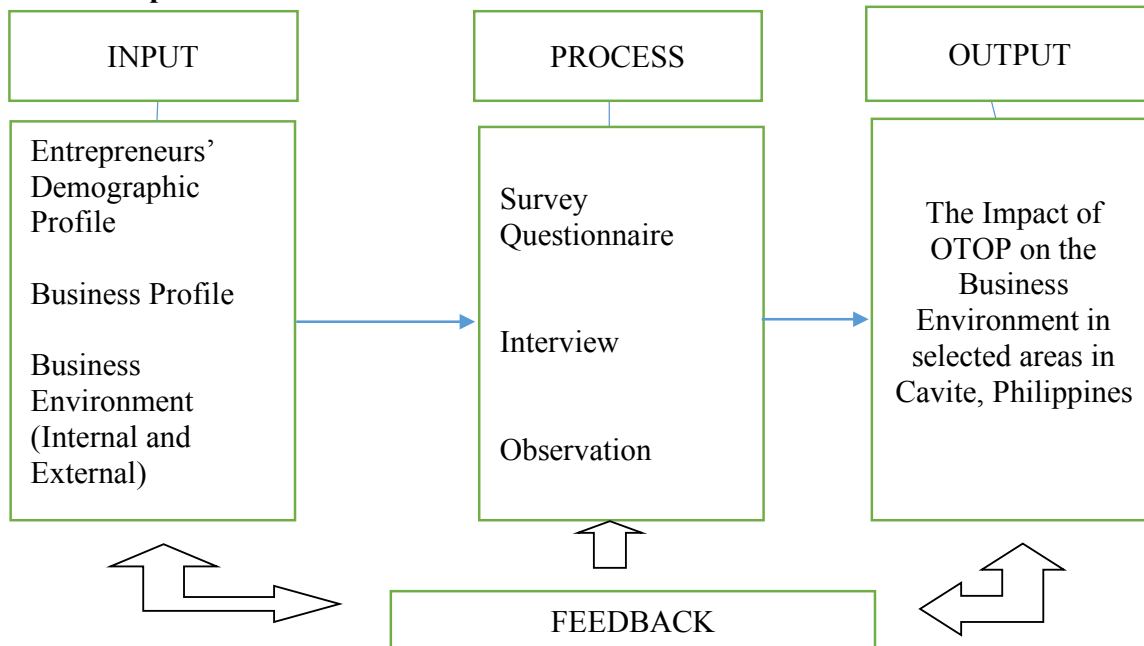


Figure 1. Conceptual Paradigm of the Study

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The study makes use of the traditional Input-Process-Output (IPO) to determine the flow of activities. It is some sort of diagram that can be traceable every details of undertakings to assure the expected results as shown in Figure 1 above.

The Input block consists of an activity where the ideas originated that leads to this investigation such as demographic profile, business profile, business environment and impact OTOP Program.

In the Process block, documentary analysis was undertaken on the information gathered from readings and the distribution of survey questionnaires to the target respondents together with its retrieval. Sorting of the gathered data and proceeded to the tabulation. Then, statistical measurement was undertaken. Afterward, the result of statistic was being analyze, evaluated, and interpreted and the Entrepreneurs targeting scheme was formulated.

Finally, the Output block cited the upshot of the investigation, the Impact of OTOP on the Business Environment was analyzed and reviewed to be able to have an enrichment and change to the program.

Methodology

A self-made questionnaire constructed by the researcher was the primary tool in achieving the researcher's purpose of the study. It was participated by thirty (30) respondents per area which composes of entrepreneurs, beneficiaries and the local government units (LGU) with a total of one hundred fifty (150) participants.

For the methodology, the study utilized statistical measurement like Frequency-Percentage Distribution, Weighted Mean and Analysis of Variance (ANOVA). Afterward, the result of statistic was being analyze, evaluated, and interpreted.

Literature Review

Achara (March 2011) in the Journal the Nation (Thailand) state that the OTOP was established by the government in an attempt to upgrade the rural standard of living by encouraging people to develop products with local resources and talent.

This being said, we come up with the conclusion that government development projects, initiative and effort is necessary to improve the standard of living of the country.

Supara (2011) in Bangkok pointed out that a representative from a financial institution recently called the OTOP (One Tambon, One Product) programmed a "golden opportunity". The speaker was speaking at a seminar organized by the institution designed to encourage participants to borrow the money for investment to enter the government scheme, which aims to allow villagers to use local wisdom to develop products and reduce poverty in rural villages. Mostly, villagers don't know how to market, said the financial representative, but the beauty of OTOP was that "you just go and get your product labeled as an OTOP product, and the government promotes it and you get free advertising".

It stated that some people afraid to become entrepreneur due to lack of knowledge and capacity but through the support of the government or OTOP it can encouraged people to take risk and have their own business.

Kiyoto (2011) comparative study pointed out that in developing countries, there are urgent needs to reduce poverty and wage gaps by revitalizing regional economy. Japanese 'One Village One Product' (OVOP) movement, which was originated in Oita prefecture provides an important model of success in regional development policy. Therefore, government development projects is essential to reduce poverty and to revitalize local economies.

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According to Baranee (2012) .The main idea of OTOP project is to support community to create products and markets by promoting self-reliance within community, entrepreneurs who participated in OTOP have to put their energy, creativity and desire in order to utilize their surrounding resources and contribute wealth to society.

In this study of Baranee, it gives emphasis to the characteristics of entrepreneurs who will join the OTOP program.

Various researches had proven that there is an urgent need in reducing poverty and unemployment. Therefore, government development projects need to be well planned, people need to be properly informed and implemented.

Findings

Table 1
Percentage Distribution

Profile Factors	Particulars	f	%
Social Status	Employed	76	50.7
	unemployed	42	28.0
	Self employed	32	21.3
Age	60-69	9	6.0
	50-59	20	13.3
	40-49	32	21.3
	30-39	65	43.3
	20-29	24	16.0
Civil Status	Single	48	26.7
	Married	84	56.0
	Widowed	16	10.7
	Separated	10	6.7
Educational Attainment	Elementary	17	11.3
	High School	34	22.7
	College	71	47.3
	Masters	15	10.0
	Doctoral	13	8.7
Length of Service	1 to 9 years	122	81.3
	10 to 19 years	15	10.0
	20 to 29 years	9	6.0
	30 to 39 years	4	2.7

Table 2
Percentage Distribution

Business Profile Factors	Particulars	f	%
Location	Amadeo,Cavite	30	20
	General Trias,Cavite	30	20
	Indang,Cavite	30	20
	Alfonso,Cavite	30	20
	Bacoor, Cavite	30	20

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Business Profile Factors	Particulars	f	%
Product Name	Coffee	30	20
	Buffalo Milk and Kesong Puti	30	20
	Calamay	30	20
	Tablea	30	20
	Tahong and Tahong Chip	30	20
Type of Business	Merchandising	74	49.3
	Manufacturing	62	41.3
	Service	14	9.3
Business Organization	Sole Proprietorship	68	45.3
	Partnership	72	48.0
Years of Establishment	Corporation	10	6.7
	1 to 9 years	137	91.3
	10 to 19 years	10	6.7
	20 to 29 years	3	2.0

Table 3
Weighted Mean

Business Environment	Particulars	Mean	Rank	Interpretation
External Environment (Socio-Cultural Environment)	Economic	4.1067	1	High impact
	Technological	3.2333	7	Moderate impact
	Political and Legal	3.3267	5	Moderate impact
	Socio-Cultural	3.2800	6	Moderate impact
	Financial	3.3933	4	Moderate impact
	Demographic	3.2000	8	Moderate impact
Task Environment	Global	3.0800	9	Moderate impact
	Supplier	3.5733	2	High impact
Internal Environment	Buyer	3.5133	3	High impact
	Corporate Structure	3.3267	6	Moderate impact
Corporate Resources	Marketing	3.6400	1	High impact
	Finance	3.3867	4	Moderate impact
	Research and Development	3.3467	5	Moderate impact
	Operations	3.4333	2	High impact
	Human Resources	3.3267	7	Moderate impact
	Information System	3.4200	3	High impact
	Corporate Culture	2.7600	8	Moderate impact

Table 4

Location	Mean	N	Std. Deviation
Amadeo	3.3360	30	.53463
General Trias	3.3253	30	.48504
Indang	3.3403	30	.56562
Alfonso	3.3597	30	.48394
Bacoor	3.2883	30	.59902
Total	3.3299	150	.52884

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Table 5
Analysis of Variance (ANOVA)

Significant Difference between the impact of OTOP on External Environment	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.083	4	.021	.073	.990
Within Groups	41.587	145	.287		
Total	41.670	149			

Table 6
Standard Deviation

Location	Mean	N	Std. Deviation
Amadeo	3.2807	30	.68510
General Trias	3.5183	30	.66427
Indang	3.2677	30	.72847
Alfonso	3.3887	30	.78442
Bacoor	3.3760	30	.69655
Total	3.3663	150	.70917

Table 6
Analysis of Variance (ANOVA)

Significant Difference between the impact of OTOP on Internal Environment	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.223	4	.306	.602	.662
Within Groups	73.711	145	.508		
Total	74.935	149			

Discussion

Based on the data gathered, the following are the findings:

1. What is the Profile of entrepreneur who avails the program in terms of the following: Position, Age, Civil Status, Highest Educational Attainment and Length of Service?

The table shows that out of 150 respondents, 76 or 50.7% are employed; 65 or 43.3% with an age of 30-39 years old; 84 or 56% are married; 71 or 47.3% are college graduate; 122 or 81.3% are between 1 to 9 years length of service.

2. What is the Business Profile of Entrepreneur who avails the program in selected areas in Cavite according to: Business Name, Location, Website, Product Name, Types of Business, and Forms of Business Organization and Years of Establishment of Business?

The record shows that in each area in Cavite there are a distinct business names based on their products and 30 or 20% are equally divided in Amadeo is the Café Amadeo Devt. Cooperative with coffee product ,in Alfonso is Alfonso Tablea Producers with tablea product ,in Indang is the Sweet de Calamay Cooperative with Calamay product, in Gen.Trias is Buffalo milk and kesong puti Cooperative with Buffalo milk and kesong puti product and for Bacoor is the Ocean Fresh Tahong Chips with tahong chips product; Out

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of 150 respondents, 74 or 49.3% are merchandising, 72 or 48% are engaged into partnership and established for 1 to 9 years.

3. What is the impact of One Town One Product Program in External and Internal Environment of Business?

Findings show that OTOP has a high impact in economic under the external environment due to a great contribution to the economic condition in different areas due to the reason that it gives employment and generates income to the people in the area, with the mean of 4.1067 while in the internal environment marketing got a high rank due to the promotion and marketing of products of each areas of Cavite specially they provided different trainings for each entrepreneurs and support their product designs and labeling that result to a good packaging and product design with a mean of 3.6400.

4. Is there a significant difference between the impact of OTOP on the business environment in selected areas in Cavite both on the external and internal environment?

The Analysis of Variance (ANOVA) shows at 149 degrees of freedom, the F computed value is 0.073. The significant value of 0.990 is greater than the level of significant at 0.05. The decision is to accept the null hypothesis and reject the alternative hypothesis. Therefore, there is no significant difference between the impacts of OTOP on the business environment in selected areas in Cavite on the external environment; In addition, ANOVA shows at 149 degrees of freedom, the F computed value is 0.602. The significant value of 0.662 is greater than the level of significant at 0.05. The decision is to accept the null hypothesis and reject the alternative hypothesis. Therefore there is no significant difference between the impacts of OTOP on the business environment in selected areas in Cavite on the internal environment.

Limitations

This study was conducted to determine the impact of OTOP on the business environment in selected areas in Cavite like Amadeo, Alfonso, Indang, General Trias and Bacoor. The study focuses on the effects, both favorable and unfavorable in the financial and economic condition of different areas in Cavite as well as the solutions they implemented. Further as a researcher attempts to offer solutions to the problem. Due to time constraints and the confidential information needed in the study using the following: Questionnaires to be filled-up by respondents. Data was taken through survey, specifically using questionnaires, both open ended and close ended to enable respondents to broaden their answers and explanations. Interviews with knowledgeable persons were also conducted to assure competence and validity of gathered data.

The study was limited to the impact of One Town One Product on business environment in selected areas in Cavite. The study involves the improvement of selected areas in Cavite. Furthermore, the investigation covers at least fifty (150) businessmen, beneficiaries and local government units from five (5) selected areas in Cavite.

Recommendations

Out of the findings and conclusion, the researchers draw the following recommendations:

1. Every Filipino should engage into business and be an entrepreneur, in order to minimize poverty and unemployment. The best thing to do is to coordinate to DTI, present their project proposal and avail some amount to start a business. Small entrepreneur also help the country's economic stability.

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2. The “One Town One Product or OTOP” program should promote widely so that every provinces should have a distinct product which they can be proud of. Government should assign each cities and municipalities to take a lead in identifying, promoting distinct product and service which has a competitive advantage.
3. To the government- they should continue to support the program because this is one great factor that helps the country’s economy by implementing and providing them with credit, technology and marketing.
4. To the professors- they should teach the importance of entrepreneurship in the lives of every students by having an actual application in doing some products that can be useful to the community.
5. To the companies-as part of their corporate and social responsibility they should share some help to the community by giving a free trainings and seminars regarding entrepreneurship.
6. To the community- they should be aware on what the possibility of having a business especially those young ones. Having a good opportunity in business rather than being a simple employee is one of the best that we can do. They should participate to the different business opportunity programs within their community in order for them to have a knowledge or idea on how to start and put up a small business and become an entrepreneur.
7. To future researcher-continue gather more information and data in other provinces so that the program will determine what are that strength and weakness of the program for future development.

Conclusions

From the cited findings, the researchers conclude the following:

1. The Profile of entrepreneur who avails the program were employed; age between 30-39 years old, married; college graduate and 1 to 9 years length of service.
2. The Business Profile of Entrepreneur who avails the program has a distinct business names based on their products and 30 or 20% are equally divided in Amadeo is the Café Amadeo Devt. Cooperative with coffee product ,in Alfonso is Alfonso Tablea Producers with tablea product ,in Indang is the Sweet de Calamay Cooperative with Calamay product, in Gen.Trias is Buffalo milk and kesong puti Cooperative with Buffalo milk and kesong puti product and for Bacoor is the Ocean Fresh Tahong Chips with tahong chips product; Most of the respondents engaged in merchandising type of business; partnership form of business organization and established for 1 to 9 years .
3. There is a high impact of One Town One Product Program both on the External and Internal Environment of Business.
4. There a significant difference between the impact of OTOP on the business environment in selected areas in Cavite both on the external and internal environment.

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