



# *PSBA*

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## **GRADUATE SCHOOL OF BUSINESS**

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## **ACRONYMS**

3Rs	Reduce, Re-use, and Recycle
AY	Academic Year
BCP	Business Continuity Planning
CHED	Commission on Higher Education
CSR	Corporate Social Responsibility
DBA	Doctor in Business Administration
EH	Eating Habits
FB	Facebook
FC	Frequency of Consumption
FEU	Far Eastern University
FSA	Food Segment Awareness
KFC	Kentucky Fried Chicken
LPU	Lyceum of the Philippines
M	Million
MBA	Master in Business Administration
NCBA	National College of Business and Arts
PARS	PSBA Referral System
PATTS	Philippine Accounting and Taxation Training Services, Inc.
PHP	Philippine Peso
PSBA	Philippine School of Business Administration
SMEs	Small and Medium-sized Enterprises
SWOT	Strengths Weaknesses Opportunities Threats
SY	School Year

TA	Television Advertisements
TIP	Technical Institute of the Philippines
TP	Taste Preference
TV	Television
UE	University of the East-Manila
UK	United Kingdom
UN	United Nations
UNISDR	United Nations Office for Disaster Risk Reduction
USB	Universal Serial Bus

## ARTICLE 1

### The Editor's Perspective

**Title:** **Business Continuity and Disaster Risk Reduction Challenges in the Organization, Policy Formulation, and Implementation**

**Authors:** Dr. Tabassam Raza, Jonnel Acoba, Mary Ann Caballega, Ramon Iñigo Espinosa, Charol Gacu, Mark Magno, Maria Carmel Molina, Gilbert Pineda, Antonette Ramos, John Patrick Trinidad



Figure 1.1. 3<sup>rd</sup> International Research Symposium Poster.

The annual Third International Research Symposium of the Philippines School of Business Administration – Manila (PSBA-Manila) continues its mission from the School's First Symposium and Second International Symposium, as well as its Three International Research Colloquia, where PSBA-Manila's Research Fellowship Program's Research Fellows, students and experts from the local and international institutions, its local and international partner schools, and its local and international public and private organizations and partners, have contributed their knowledge in this unique platform particularly disseminated with focus on business continuity and Disaster Risk Reduction challenges. The theme of this year's International Research Symposium is "Business Continuity and Disaster Risk Reduction

## Challenges in the Organization, Policy Formulation, and Implementation: Business Response in the Face of Crisis”.

A crisis is a serious event that can be either perceived or real. It disrupts normal activities and impacts negatively on the operation of businesses and can be a substantial threat to the stability of organizations. As the world is now in the midst of nature’s ever-changing climate conditions with natural and man-made disasters, it results in various crises like businesses being discontinued or, worse, loss of human life. International cooperation and local initiatives are being undertaken to minimize such outcomes taking also in consideration the effects of such disasters in the business community.

The theme for this year’s International Research Symposium indeed aligns itself with international frameworks, especially the Sendai Framework for Disaster Risk Reduction. This 15-year voluntary agreement, wherein the Philippines is one of its signatories and has based its National Framework for Disaster Risk Reduction and Management from, recognizes that while the State has the primary role on disaster risk, the responsibility must be shared and include the local government, the private sector, and other stakeholders. Further, one of its aims is the substantial reduction of disaster risk and loss in life, livelihoods, and health and in the economic, physical, social, cultural, and environmental assets of persons, businesses, communities, and countries. Thus, the Philippines is participatory to the commitment recitals contained in the Preamble of this International Framework to urgently address Disaster Risk Reduction and to build resilience against disasters, including its integration into the policies, plans, programs, and budgets at all levels, making the adaptation of its National Framework in the various development sectors an imperative.

Last December 2018, the United Nations (UN) Office for Disaster Risk Reduction reported that “The Philippines is emerging as a role model for engaging the private sector in building resilience to disasters” (McLean, 2018). However, while

the Philippines has learned many valuable lessons regarding Building Back Better in times of disasters, there are still gaps that need to be analyzed which can be benchmarked from the experiences, lessons, and inputs from other countries. The Philippines has incurred damage of at least Php 388.74 Billion from disasters between 2011 and 2018 according to the data presented by the National Economic Development Authority; it is further estimated that the cost for recovery and rebuilding was nearly one-and-a-half times more than that. In the recent years, Super Typhoon Haiyan (locally Yolanda) turned out to be one of the strongest tropical cyclones in recorded history with the largest damage. This prompted the Philippine government to implement a National Disaster Risk Reduction and Management Plan wherein the country's Local Government Units, together with its public and private stakeholders, are expected to build disaster resilience of its communities.

One of the successful implementations of the Sendai Framework is dependent on resilient investments. The private sector is responsible for 70-85% of capital investment in most economies (UNISDR, 2016). As such, it is a powerful influence over how disaster risk is addressed. Private businesses, ranging from Small and Medium-sized Enterprises (SMEs) to Multinational Corporations, are fundamental to the effort in building more resilient communities, economies, and nations.

Disaster risk management must be based on a deep understanding of disaster risk in all its dimensions: hazard (frequency, severity and location), vulnerability, exposure (asset, economic and human), and capacity. This understanding is essential to the fundamental disciplines of Disaster Risk Reduction: risk quantification, risk prevention/mitigation, risk financing, and event response. In order to manage risk effectively and build sustained resilience, a deep understanding of risk-reward trade-offs is required. To realize the full potential, we need to broaden the use of more analytical approaches to value-creation; approaches which consider the underlying risk, the drivers thereof and how they may be changing over time. Unless public and private investments become more "risk informed", the

potential remains for these investments to increase accumulations of exposure and heighten concentrations of disaster risk.

Business Continuity Planning (BCP) is one of the most critical components of any recovery strategy. It is vital for survival and should not be put off indefinitely as we focus on our daily challenges. Unprecedented number of exposures are being faced by businesses as disasters come in all shapes and sizes. Without a plan for business continuity, organizations cannot recover from a significant crisis. The resiliency of the private sector is fundamental for societies to recover smoothly from disasters, and yet the private sector has little incentive, or has yet to identify the incentive, to invest in BCP and/or contingency planning. In such cases the government must facilitate BCP and contingency planning in the private sector through the enforcement of law and regulation and by providing technical guidance or financial incentives. This is especially important for SMEs that often lack expertise and financial resources to prepare such plans.

This year's International Research Symposium marks an important milestone in the roadmap towards institutionalizing Business Continuity Planning and Disaster Risk Reduction measures across organizations small and large. This event will provide a unique opportunity to promote strategic partnerships among various stakeholders in the local government, academe, and business communities. This highly educational, practical, and interactive event will cover sessions which are designed to serve as an avenue for knowledge sharing, to promote innovative and collaborative research partnerships and linkages, and to support research training and capacity building with local and international scholars, researchers, and business experts with the aim of finding solutions to pressing business continuity and Disaster Risk Reduction challenges in organizations through policy formulation and implementation.

The main objective of this International Research Symposium is to share knowledge about organization, policy formulation, and its implementation in response to crisis. The knowledge is obtained through related studies and researches within and among Disaster Risk Management planners, business



administrators, and implementers. Particularly, the symposium seeks to educate and share good practices in relation to the following:

1. Introduce Disaster Risk Reduction policies used by established businesses;
2. Share tools and best practices in preventing new disaster risks and reducing existing disaster risks especially through the implementation of integrated and inclusive economic, structural, legal, social, health, cultural, educational, environmental, technological, political, and institutional measures that can significantly contribute in preventing and reducing hazard exposure and vulnerability to disaster, increasing preparedness for response and recovery, and thus strengthening resilience;
3. Promoting instruments, tools, methodologies, and approaches to enhance implementation capacity and capability of developing countries as well as middle-income countries facing specific challenges, including the mobilization of support through international cooperation for the provision of means of implementation in accordance with their national priorities;
4. Providing knowledge on needed measures to reduce vulnerability and to increase capacity to cope with disaster impacts on businesses and overall economy through mainstreaming it into our daily life functions in terms of integrating to the Countries' development Programs, Projects, and Activities;
5. Stimulate awareness and understanding on topics related to Disaster Risk Reduction Management, as well as Organization, Policy Formulation, and Implementation of such;
6. Disseminating knowledge and sharing innovations in risk reduction towards business continuity; and
7. Determine the relevance of business continuity, what are the challenges faced by the organization regarding the

formulation and implementation of their policies, and how firms around the world behave when faced with crisis.

This year, our graduating scholars, most of them are working for the Quezon City Local Government, have taken charge of the helm for this event and will present their researches closely related to its theme. These future leaders, managers, and policy makers shall be the beacons to guide their respective businesses, organizations, and communities in creating their Business Continuity Plans. Equipped with the knowledge on latest trends and best practices gained from our panel of local and international Resource Speakers on this day, we can rest assured that the policies they formulate and plans they implement for their respective organizations can shield against any crisis they will face. Through this event, the entire country and international community will benefit in promoting financial, industrial, and environmental safety by learning how organizations can overcome these challenges, businesses can respond in the face of crisis.

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## ARTICLE 2

### Thesis

**Title:**           **The Impact of Television Advertisement of Four Leading Fast Food Chains on Children's Wants: Parents' Point of View, Pasig City, Philippines**

**Author:**       Mr. Bo Ngoc Bui

**Degree:**       Master in Business Administration

**School Year:**   AY 2018-2019

**Adviser:**       Federico Figueroa Jr.

### 2.1. Introduction

With the dynamic progress in the global world as characterized by rapid growth and development, changes have become inevitable. The phenomenon of information technology has practically revolutionized every aspect of daily living. While this has not been imagined in the early part of the 20th century, the 80's onwards showed remarkable changes, rendering the world as volatile, complex and uncertain.

With the progress in information technology, the application of communication technology simultaneously expanded by leaps and bounds. For example, paging was replaced by texting while manual calls were replaced by mobile phones. In addition, production and operation evolved from automation to computerization. Thus, the popularity of computer-aided design and computer integrated manufacturing was remarkably appreciated. Business processes became better in terms of efficiency, reduction of wastes and downtime. Not to be left behind was the great changes in marketing.

Marketing began to take advantage of these technology developments. Mass media evolved drastically with respect to product development, channels of distribution, pricing, sales and promotion, including advertising.

Advertising is a visual or audio form of marketing communication. Advertisements are messages paid for by companies to inform consumers or influence them into buying and availing of their product and services. Advertisements use every possible of media to get its message through. Examples are through radio, television, print like newspapers and magazines, Internet, posters, contests, direct selling, and others.

Television is one of the strongest media of advertisement because of mass media reach; it can influence the culture of the country, as well as communities, groups of peoples and the individual. Specifically, television can affect the individual's attitudes, behavior, lifestyle, and exposure. In fact, the use of advertisements on television is optimized by companies in order to influence their prospective customers, and thereby turn them into consumers. Advertisements also play part in shaping the lifestyle of people whether elders, teenagers or in particular children.

For many Filipinos, watching television has been a way of life for children, children, and adults. Given the different groups of television watchers, companies attempt to take advantage of this reality. Hence, they position and advertise their products and services to attract specific groups of consumers with the end goal of influencing them to make purchases. Fast food companies are no exception.

Given the proliferation of fast food outlets in the country today, most of the food and beverages sold cater to children although young people and adult do patronize them too. These fast food stores sell burgers, chicken and fish fillets, drinks, ice cream and sundaes, French fries and other food sandwiches that are palatable to the ordinary consumer. Examples of fast food chains in the Philippines are Jollibee, McDonalds, KFC, and Burger King.

Direct competitors among themselves, the primary goal of these fast food companies is to earn huge profit. Therefore, to attract customers, they engage in television advertising, allotting a percentage for marketing fees.

Nowadays, children are spending time in watching TV and they are constantly being bombarded with a large variety of advertisements. Which are aimed at them as they play an important role in their parents' purchase decision. The advertisement of fast food products increases the consumption of these products. However, concern has been generated on the type of foods sold in these fast food stores. While nutritious foods are sold, other food items are not healthy, leading to many health problems in children. Thus, there is a need to study and assess the impact of the television advertisements of four fast food chains on children's wants from the perspective of their parents residing in Pasig City. The four (4) fast food brands are Jollibee, McDonalds, Kentucky Fried Chicken (KFC), and Burger King.

Studying children, food, and advertising is completely broad so it should be clarified and focused on particular special group. Therefore, the children of special age range should be selected. Children with ages from 4 to 12 are the first ones to leave home, enter society, react to the physical environment and interact with other children who belong to the same age range. They directly or indirectly affect each other so this thesis is focused on them. However, the persons who are in the best way to assess and evaluate their children's wants are their parents. Thus, this study will capture the perspective of parents on the impact of the television advertisements of four fast food chains on their children's wants.

### **2.1.1. Background of the Study**

Fast food came around after the Second World War and has come a long way since then. In the past it was a mere convenience provider and time saver, the easiest and fastest way to fill appetites, as the name suggests. But, it has now evolved into a premium luxury item. It is now very popular amongst all ages of people, especially children. Fast food marketing is a necessity for fast food brands these days. Fast food despite being a treat to the taste buds is hazardous to health and comes bearing a plethora of ailments. Therefore, it must essentially be advertised and marketed in order for businesses to make sales and be profitable.

Fast food sales are increasing at a rapid pace mainly due to effective marketing strategy.

Edwin Land (Essays, UK., 2013) rightfully said “Marketing is what you do when your product is no good” which holds true in this case. Marketing camouflages the dangerous truth and sways the consumer into thinking that the temporary taste is worth more than the life-long disease. Marketers hence must undergo the pain of coming up with a successful marketing campaign using various advertising methods to manipulate customers because this very art of creating an artificial need out of a want or a desire is what fast food marketers like Coca Cola do, for e.g. “Food is asking for Coca-Cola”, a thousand calories are “finger-licking’ good” by KFC and the mounds of cheese that come with “I’m loving it” by McDonalds. Children are a very lucrative market for fast food brands because they are young and impressionable. Children are easier to target and woo as they see colour and hear sound.

Why then must the study focus on advertisement offered by fast food chains? Firstly, fast food has become part of the culture, with national and international chains in many towns in the Philippines. All meals at fast-food restaurant include rice, although French fries also tend to be on the menu. Banana ketchup is preferred, although the international chains serve tomato ketchup (Hays, 2008).

Statistics show that there are around 32,000 fast food restaurants in Metro Manila alone. Also, over the years, there has been an apparent growth in the number of fast food chains in the country due to adaptation to rapid globalization. Growth of population and changes in consumer behavior has facilitated the prosperity of fast food industry. In addition, influxes of population and changes in lifestyle – such as preferences for leisure, convenience, and food-away-from-home, women’s changing role in the society, and the urbanization of families – all contribute to the growth of fast food industry (Ni et al., 2009).

A survey by A.C, Nielsen found that 54 percent of Filipino interviewed eats at a fast food restaurant at least once a

week, compared to 35 percent in the United States. McDonald's, KFC and Pizza Hut all operate in the Philippines but they only have a small share of the Philippine fast food market. They receive stiff competition from local favorites: Chow King, the top Chinese food chain; Greenwich, the leading pizza and pasta chain; and Jollibee. The Philippines fast food industry is dominated by Jollibee, a Philippine-owned company that controls 46 percent of the quick service restaurant market and 80 percent of the burger-based meals market. The Jollibee group of companies owns Chowking and Greenwich. As of 2001 the company had 722 restaurants and planned to open 175 more in 2002. It also runs restaurants in California, Hong Kong and Dubai, places where there are large Filipino communities. As of 2013, it boasted 2,581 Jollibee and other fast-food restaurants under various brands (Hays 2008).

In addition, the National Restaurant Association (United States) estimates that the average Americans eats out an average of four times a week. About 33 percent of children and adolescents in the United States consume fast food on a typical day, providing on average about 12 percent of daily calories, and intake increases with age. In non-metropolitan areas, adolescents and parents who live in towns with five or more fast food outlets were 30 percent more likely to eat fast food compared with those in towns with no fast food outlets. The influence of in-town fast food outlets on fast food intake was strongest among families with low motor vehicle access. In contrast, fast food dining is less common when families have closer proximity and easier access to supermarkets.

In the United States, more than 48 percent of today's food is spent away from home, a value that has almost doubled over the past 50 years. Driven by consumers' growing interest in convenience, sales at quick-service restaurants are expected to generate \$201 billion in 2016, with a projected annual growth of 2.5 percent for several years. Snack, convenience, fast foods, and sweets continue to dominate food advertisements viewed by children. Marketing these items contributes to the fast food consumption of children in the United States. On a typical day, preschool-aged children (2 to 5 years) view 10 television fast food

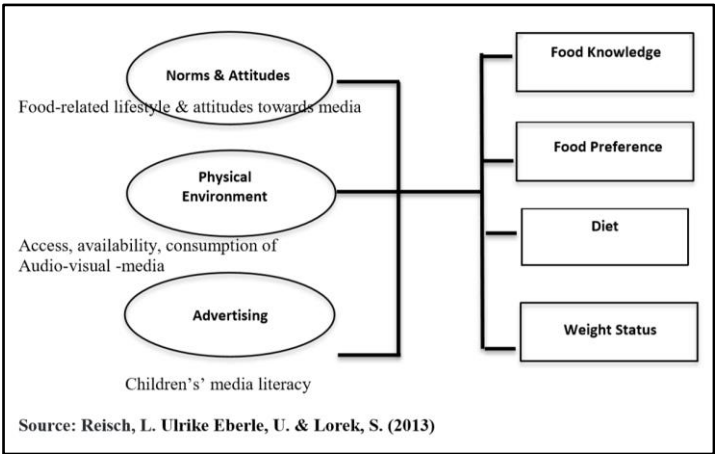
advertisements, elementary-school children (6 to 11 years) view 12 television advertisements, and adolescents (12 to 18 years) view up to 15 television advertisements. Hispanic preschoolers, children, and adolescents viewed, on average, 11.6 to 12.4 television food ads per day, an observation of particular concern given the higher rates of obesity among Hispanic youth.

One study indicates that 98 percent of television food-product advertisements viewed by adolescents promote foods that are high in fat, sugar, or sodium. In the United States, \$8 billion is spent on food and beverages by children between the ages of 4 and 12 years, and these children also exert a strong influence on their parents' choices of quick-service establishments.

**2.1.2. Theoretical Framework**

**2.1.2.1. The Human Ecological Model and Key Variables**

The study of Reisch, et.al. (2013) provides empirical evidence on the impact of food advertising on children’s knowledge about and preferences for healthful food. The research investigates the association between food advertising and children’s food knowledge, food preferences, diet, and weight status, as summarized in Figure 2.1.



*Figure 2.1. Human Ecological Model.*

In line with the theory of human ecological development (“ecological model”), and based on the literature sketched above



key variables potentially influential factors are selected from the children's social, physical, and media environment; namely, food-related norms, attitudes, and lifestyles at home; the children's access to TV and consumption of TV commercials; and the children's level of advertising literacy. We also examine the relation between food knowledge, preferences, diet, and weight status. In the human ecological model, norms and attitudes refer to parental food-related lifestyles and attitudes towards advertising. In this model, the more skeptical parents are about food advertising, the less susceptible are their children to the effects of advertising on food knowledge, preferences, and diet and weight status. Furthermore, when parents discuss the TV programmes/ads watched by their children, they consequently influence their children's food knowledge, food and taste preferences, diet, and consequently, weight status.

Similarly, physical environment includes access, availability, and consumption of audio-visual media. Accessibility is the capability to reach a broad spectrum of customers through media. Audio, video and animation are examples of audio-visual media. For audio-visual media to be accessible to the viewer, the person watching or hearing must be able to understand the message being imparted. If the audience is not able to understand the intended message, the delivery is unsuccessful. Hence, audio-visual should be well-produced.

In addition, availability is the presence of audio-visual resources that can deliver messages and information to intended specific audiences. These resources are on hand, existing and obtainable. Lastly in the framework is consumption of audio-visual media. Consumption of audio-visual media is the interplay of objects, texts and context. It varies among audiences and the nature of audiences. Some are light users, consumers, buyers, purchasers, or enjoyers.

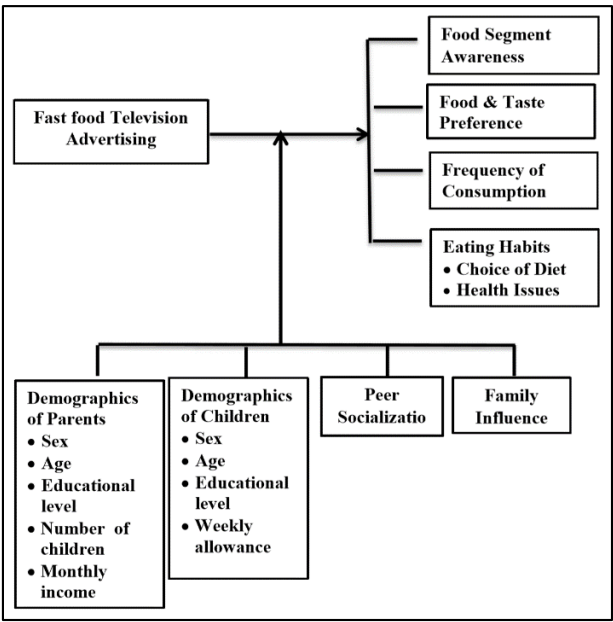
Lastly, advertising refers to the children's media literacy. Here, children's handling of advertising depends on their advertising literacy—their knowledge about the goals and mechanisms of advertising—as well as on their attitudes towards advertising. In this context, knowledge refers to children's

perceptions, including suspiciousness of advertising’s credibility and usefulness, whereas attitudes reflect the entertainment value that the advertisements hold for children.

In addition, the other key variables of the human ecological model include food knowledge. Food segment awareness refers to the insight, familiarity, information, observation, the awareness of food, judgement of food as a result of advertising. Food preference refers to the desire, choice, inclination, or selection of food by children as a result of food advertising. Diet refers to kinds of food that young children regularly or habitually consumes while weight status refers to the heaviness or lightness of a young kid or its body’s relative mass.

**2.1.3. Conceptual Framework**

The conceptual framework of this study illustrates the interrelationships among the variables in this research. It includes the independent variable—fast food television advertising while the dependent variables are food segment awareness, food and taste preferences, frequency of consumption, and eating habits.



*Figure 2.2. Conceptual Framework of the study.*

However, to help deliver a more conclusive research, there are moderating variables that will be considered in this study because they can affect the results of the research. These include demographic variables for parents which are sex, civil status, age, highest educational attainment, number of children, and monthly income, demographic variables of their children which are sex, age, educational level and weekly allowance, peer socialization, and family influence. Figure 2.2 illustrates the Conceptual Framework.

## **2.2. Statement of the Problem**

Television advertisement has been one of the most popular venues for companies in communicating messages, more specifically to consumers. With the intent to generate sales, fast food companies aggressively pursue television advertising to encourage and motivate children to purchase their products that include burgers, French fries, fried chicken, ice creams, and sodas drinks among others. Indeed, the advertisement of fast food products increases the consumption of these products. Thus, lead to the sales of nutritious foods; however once consume inappropriately will be considered as not healthy, leading to many health problems in children.

The study sought to answer the following questions:

1. What is the demographic profile of the parents in terms of the following:
  - 1.1. Sex,
  - 1.2. Age,
  - 1.3. Educational attainment
  - 1.4. Number of Children
  - 1.5. Monthly income
2. What is the demographic profile of the children in terms of the following:
  - 2.1. Sex,
  - 2.2. Age
  - 2.3. Educational level
  - 2.4. Weekly allowance
3. How do the parents evaluate their children on the following:

- 3.1. Level of peer socialization
- 3.2. Degree of family influence
4. What is the extent of implementation of television advertising by fast foods?
5. How do parents rate the impact of fast food television advertising on their children's:
  - 5.1. Food segment awareness,
  - 5.2. Food and taste preference,
  - 5.3. Frequency of consumption,
  - 5.4. Eating habits.
6. What is the impact of fast food television advertising to food segment awareness, food and
7. Taste preference, frequency of consumption, and eating habits?

### **2.2.1. Hypothesis of the Study**

In conducting this study, the following null hypotheses are stated.

1. Fast food television advertising does not significantly contribute to the children's food segment awareness.
2. Fast food television advertising does not significantly contribute to the children's food and taste preference.
3. Fast food television advertising does not significantly contribute to the children's frequency of consumption.
4. Fast food television advertising does not significantly contribute to the children's eating habits.

### **2.3. Significance of the Study**

This research can prove beneficial to a range of sectors. These are the following:

#### **2.3.1. To the country**

This research can help in nation building of healthy citizens as to correct diet and eating habits. In addition, this study can emphasize the importance and promotion of values that are needed by the Filipino nation particularly in the field of business administration and the teaching learning process.

### **2.3.2. To the Filipino parents and the children**

This research will benefit the Filipino children and the parents in terms of gathered useful information on fast food advertisements, their consumption habits and health benefits. With these data, parents can help regulate the eating behavior of their young child while these children maybe more conscious of the nuances of food advertisements that are shown on television.

### **2.3.3. To schools and the educational system in the country**

Information from this study can help schools design a nutritional program for children while raising awareness among children about the disadvantages and negative effects of consuming fast food. Additionally, it will aid in the creation of a curriculum wherein media literacy can be integrated to improve the understanding of children's eating habits, especially the effect of advertisement, its persuasiveness and its positive and negative effects on the behavior and cognitive abilities of children.

### **2.3.4. To the advertising industry and fast food chains**

The study will function as a reference for those in the advertising and fast food industries to help them gain a deeper insight on their target market, more specifically children, and create innovative advertisements for their audience. Particularly, the study will help the marketers to understand their market properly and develop their marketing plan accordingly. The study may help the advertisers to create an effective advertising campaign for this target group.

### **2.3.5. To the academe and future researchers**

The research will benefit and help future researchers conduct further studies about or related to the subject matter and provide the country and the concerned individuals with more valuable data, findings and analysis. The findings of the study can be used by academicians in discussing topics like fast food television advertising, consumption, eating habits, peer socialization, influence of family and other related topics that are relevant and interrelated important issues. In addition, this research can serve as a basis for future studies for researchers.

Particularly, this research paper can be used by other researchers as secondary data or information in the areas of importance of this study. The findings of the study can be used as a reference to conduct similar studies.

## **2.4. Research Methodology**

This paper essentially focuses on gathering information based on the demographic profile of the children and their parents, determining their assessment on the impact of television advertisement of four leading fast food chains on their children's wants. From the results of this research, significant findings can be deduced.

### **2.4.1. Research Design**

As shown by the problems earlier stated clearly identified and specifically listed in this study, the research design of this paper is not exploratory but definite in nature. It is descriptive, answering questions about "what", "where", "who" and "why". A well-prepared survey questionnaire was formulated and was distributed to the respondents to gather information on the impact of television advertisement of four leading fast food chains on their children's wants.

Furthermore, the research is conducted under actual conditions. This research design is described as cross-sectional in that this study on fast food television advertising is conducted at only one point in time. It is not longitudinal. Lastly, the study used data gathered through sample units. Since the researcher has no control over the variables in the research, the research design is considered *ex post facto*.

### **2.4.2. Research Locale**

The research locale of this study is Pasig City in Metro Manila.

### **2.4.3. Population and Sampling**

The population of Pasig City is 755,000 (National Statistics Office, 2015) as of 2015. These are the residents of the city.

Computing for the sample size at 5% margin of error, the resulting sample size,  $n$ , is 400.

The study used a probability sampling design, particularly; random sampling where each respondent has an equal chance of being chosen. Stratified sampling will be used.

In distributing the survey questionnaires, random sampling will be used. Data will be generated using survey questionnaires that will be distributed to parents of Pasig City in Metro Manila, who were chosen to participate in the study. The sample size in this study is 400 respondents.

#### 2.4.4. Respondents of the Study

The respondents of the study are 400 parents with children from age four (4) to 12 who are residing in Pasig City in Metro Manila and who are frequently eating at the four (4) mentioned fast food chains. The fast food chains are Jollibee, McDonalds, KFC and Burger King.

*Table 2.1. Population and Sample Size.*

<b>Population</b>	755,000	100%
<b>Sample</b>	399.8 or 400	The researcher used Slovin's formula to compute for the sample size at 5% significance level.

For the purpose of making sure that all four fast food chains are evaluated, the researcher will have equal respondents who are patronizing the four selected fast food chains.

*Table 2.2. Sampling distribution.*

<b>Fast-Food Chain</b>	<b>Number of Respondents</b>	<b>Percentage (%)</b>
Jolibee	100	25.00
McDonalds	100	25.00
KFC	100	25.00
Burger King	100	25.00
<b>Total</b>	<b>400</b>	<b>100.00</b>

The respondents of this study who are residing in Pasig City are described in terms of demographic variables of both parents (their sex, civil status, age, highest educational attainment,

number of children, and monthly income) and their children (their sex, age, educational level and weekly allowance). They are assessed in terms of the other moderating variables like peer socialization and family influence. The output variables are food segment awareness, food and taste preferences, frequency of consumption and eating habits.

#### **2.4.5. Research Instrument**

The research instrument is a questionnaire that is self-made and adapted using the conceptual framework while taking into consideration the object (variables or constructs) of the study.

The process of collecting data in the conduct of this study will be through the use of a survey questionnaire. The survey questionnaire consists of 10 parts. Part 1 gathers data on the demographic profile of the parents where variables include sex, civil status, age, highest educational attainment, number of children, and monthly income. Part 2 includes situation questions while Part 3 gathers information on the demographic variables of their children which include sex, age, educational level and weekly allowance. Part 4 is on peer socialization and Part 5 is on family influence.

In addition, Part 6 is on fast food television advertising. Parts 7, 8, 9 and 10 are respectively on food segment awareness, food and taste preferences, frequency of consumption and eating habits.

#### **2.4.6. Validity and Reliability of the Research Instrument**

To ensure that the items in the survey questionnaire are reliable or where each item measures consistently what it intends to measure, the researcher used reliability statistics, the Cronbach Alpha. Of the 31 items in the questionnaire, the reliability statistics resulted in 0.897 described as very reliable.

#### **2.4.7. Data Gathering Procedure**

The survey questionnaires are distributed to the respondents residing in Pasig City in Metro Manila. No explanations that would affect their responses are to be given to



maintain objectivity in the results. Once answered, the researcher collects the results, and begins collating and tabulating them. The results are presented using tables, interpreted, explained and analyzed textually as will be shown in 1.5.

#### **2.4.8. Statistical Treatment of Data**

To present, interpret and analyze the data that are gathered by the researcher, certain statistical tools and techniques are used in this study. Statistical measures like frequencies and percentages are applied.

In gathering data on the demographic profile of the respondents like sex, civil status, age, highest educational attainment, number of children, and monthly income, the researcher used frequency. On the other hand, in determining the level of agreement or disagreement on peer socialization and family influence, as well as, their assessment of the fast food television advertising, the researcher used weighted means. This is likewise true for the food segment awareness, food and taste preferences, frequency of consumption and eating habits.

To determine the impact of fast food television advertising of four leading fast food chains on children's wants, the researcher used multiple regressions.

##### **2.4.8.1. Weighted Means**

In addition, the measures of central tendency, particularly, weighted means were computed to determine the average responses of the respondents on the survey questionnaire. In computing for the respective weighted means, this formula was used:

$$x = \frac{\sum x}{n} = \frac{\text{sum of the data values}}{\text{number of the data values}}$$

##### **2.4.8.2. Multiple Regressions**

Multiple regression analysis is a powerful technique used for predicting the unknown value of a variable from the known value of two or more variables- also called the predictors. For a

model with multiple predictors, the multiple regression equation is:

$$y = \beta_0 + \beta_1x_1 + \cdots + \beta_kx_k + \varepsilon$$

The fitted equation is:

$$\hat{y} = b_0 + b_1x_1 + \cdots + b_kx_k$$

In simple linear regression, which includes only one predictor, the model is:

$$y = \beta_0 + \beta_1x_1 + \varepsilon$$

Using regression estimates  $b_0$  for  $\beta_0$ , and  $b_1$  for  $\beta_1$ , the fitted equation is:

$$\hat{y} = b_0 + b_1x_1$$

*Table 2.3. Statistical treatment of data.*

Statement of the Problem	Statistics Used
1. Demographic profile of the parents	Frequency
2. Demographic profile of the children	
3. Level of peer socialization and degree of family influence	Weighted mean
4. Implementation of television advertising	
5. Evaluation of food segment awareness, food and taste preference, frequency of consumption, and eating habits	
6. Impact of fast food television advertising to food segment awareness, food and taste preference, frequency of consumption, and eating habits	Multiple Regression

#### 2.4.9. Likert Scale

As illustrated, the Table shows the numerical and descriptive ranges using the five-point Likert scale with the corresponding numerical ranges. Numerical ranges were used as the basis on how the respondents answer the well-prepared survey questionnaire with respect to degree of effectiveness.

*Table 2.4. Likert Scale and Interpretation Scale.*

Scale	Numerical Range	Interpretation
5	4.50 – 5.00	Strongly Agree
4	3.50 – 4.49	Agree
3	2.50 – 3.49	Slightly Agree
2	1.50 – 2.49	Disagree
1	1.00 – 1.49	Strongly Disagree

Source: Young, (2018): Statistics

## 2.5. Presentation and Analysis of Data

The presentation of the results follows the order as they are presented in the statement of the problem. The data shown include the responses of the participants in this research as regards to the demographic profiles of both the parents and their children, how level of peer socialization and degree of family influence affect their children, the extent of implementation of television advertising by fast foods companies on children, how parents rate their children with respect to food segment awareness, food and taste preference, frequency of consumption and eating habits, and how fast food television advertising significantly contribute to their children's' food segment awareness, food and taste preference, and eating habits.

### 2.5.1. Demographic Profile of Parents

The respondents of this research come from the Pasig city. To get a better knowledge and perspective of this paper, the researcher got a glimpse of the participants of this study. The demographic profile of the parents includes variables that give a capsulized picture of the respondents in this study.

*Table 2.5. Demographic Profile of Parents.*

Demographic Variables	Number of Respondents	Percentage (%)
<b>Sex</b>		
Male	114	28
Female	286	72
	400	100.00
<b>Age</b>		
Below 25 years	40	10
25 – 35 years	129	32
36 – 46 years	123	31
47 – 57 years	80	20

Demographic Variables	Number of Respondents	Percentage (%)
58 years & above	28	7
	400	100.00
<b>Level of Education</b>		
High School	170	43
College	170	43
Graduate Studies	45	11
Post Graduate Studies	15	3
	400	100.00
<b>Number of Children</b>		
None	0	0
1 – 2	239	60
3 – 4	90	22
More than 4	71	18
	400	100.00
<b>Monthly Income</b>		
Below P15,000	138	34
P15,000 – 25,999	140	35
P26,000 – 36,999	71	18
P37,000 – 47,999	15	4
P48,000-58,999	29	7
P59,000 and above	7	2
	400	100.00

Table 2.5 illustrates the demographic profile of the parents in terms of sex, age, educational attainment, number of children, and monthly income. Seventy-two percent of the respondents are female while 28% are male. Thirty-two percent of the respondents belong each to the age groups, 25 to 35 years while 31% are between the ages of 36 - 46 years. In addition, 20% are from 47 to 57 years and 10% are below 25 years of age. Lastly, 7% are 58 years and above. Here, the research shows that the age ranges of the parents included in this study are largely middle-aged who have growing children and who are frequently eating in fast food centers and are concerned with the growth development of their children.

With respect to the educational attainment of the respondents, both 43% are high school and college graduates while only 11% have completed graduate studies and 3% with

post-graduate studies. Generally, more than 80% of the parents possess an acceptable degree of academic abilities. With respect to number of children, 60% have from one (1) child to two (2) children while 22% have from three (3) to four (4) children. Eighteen percent have more than four (4) children. Parents with no children were not included.

With regards to monthly incomes, 35% have monthly incomes ranging from P15,000 – 25,999. Thirty-four percent have incomes below P15, 000 and 18% have monthly incomes from P26,000 – 36,999. Only 7%, 4%, and 2% have monthly incomes of P48,000 to P58,999, P37,000 to P47,999 and P59,000 and above respectively. It can be concluded from the gathered data that more than 80% of the parents have little or more capability to spend and buy from fast food stores.

While monthly income can serve as a measure of purchasing capability, it is to be noted that eating in fast food chains has become a part of a Filipino way of live. For example, a number of parents choose not to cook at certain times but instead bring their children to fast food chains to take their breakfast, lunch or dinner for practical reasons like convenience and others. Secondly, oftentimes it is the choice of their children to eat in these fast food chains.

### 2.5.2. Situational Questions

Having studied the demographic profile of the parents, the researcher came up with opening questions. Situational questions were similarly asked by the researcher. The responses are shown on the following table.

*Table 2.6. Situational Questions.*

	Yes	No
Do you have a child with age ranging from four (4) to 12?	400	0
	100%	0%

Since the desire of the researcher is primarily with reference to this age range, the researcher ensured that the respondents satisfy said prequalification requirement. The results show that all of the parents (100%) in this study have children with

ages ranging from four (4) to 12. Otherwise, parents who do not satisfy this prequalifying condition are not included.

### 2.5.3. Fast Food Segment

With regard to the fast food stores patronized by the parents, 100 or 25% go to each Jollibee, McDonalds, KFC, and Burger King.

### 2.5.4. Demographic Profile of Children

In addition to the demographic profile of the parents, the researcher also looked into the demographic profile of their respective children which includes sex, age, educational level and weekly allowance.

*Table 2.7. Demographic Profile of Children.*

<b>Demographic Variables</b>	<b>Number of Respondents</b>	<b>Percentage (%)</b>
<b>Sex</b>		
Male	308	77
Female	92	23
	400	100.00
<b>Age</b>		
4 – 6 years	162	41
7 – 9 years	145	36
10 – 12 years	93	23
	400	100.00
<b>Educational Level</b>		
Kindergarten	110	28
Grades 1 – 3	112	28
Grades 4 – 6	143	35
Grade 7	35	9
	400	100.00
<b>Weekly Allowance</b>		
Below P500	147	37
P500 – 620	123	31
P621 – 741	70	17
P742 & above	60	15
	400	100.00

With respect to the profile of the children, 77% are male while 23% are female. In addition, 41% have ages from 4 to 6 years; 36% are from 7 to 9 years and lastly, 23% are from 10 to

12 years. With respect to level of education, 35% of the children are in Grade 4 to Grade 5. Similarly, 28% both are kindergarten and Grades 1 to 3 students. Lastly, 9% of the children are in Grade 7. In relation to the weekly allowance of the children, 37% have weekly allowances of below P500 and 31% are given from P500 – P620 weekly allowance. Lastly, 17% of the children enjoy from P621 – 741. The data show that more children are male than female. Majority are very young that generally are under the care of their parents. Thus, they belong to lower grade levels with less weekly allowances.

### 2.5.5. Peer Socialization

In addition, the researcher looked into how the parents evaluate their level of agreement on the peer socialization of their children using as a term of reference their being parents of these children.

*Table 2.8. Peer Socialization of Children.*

<b>Statement</b>	<b>Weighted Mean</b>	<b>Interpretation</b>	<b>Ranking</b>
1. My child's socialization with his/her peers, namely: classmates & friends are very important to him/her.	<b>2.28</b>	Disagree	<b>5</b>
2. My child associates his/her personal identity with that of his/her peers; including the norms expected of him/her in his/her age group.	<b>3.81</b>	Agree	<b>2</b>
3. My child develops similar values, attitudes, and social skills with that of his/her classmates and friends.	<b>3.86</b>	Agree	<b>1</b>

Statement	Weighted Mean	Interpretation	Ranking
4. My child's peers greatly influence him/her in the television shows, including advertisements that they regularly watch.	3.80	Agree	3
5. My child's peers sway him/her in the food that he/she prefers and consumes.	3.74	Agree	4
<b>Grand Mean</b>	<b>3.50</b>	Agree	

Peer Socialization refers to the process whereby a child acquires a personal identity and learns the values, norms, attitudes, and social skills in relation to his same societal group based on age, grade or status, or any category classification. The respondents were asked to use (5) as strongly agree, (4) as agree, (3) slightly agree, (2) as disagree and (1) strongly disagree. The following tables show their responses.

Of the five statements included in this paper on peer socialization, the parents agreed on four items and disagreed on one item. The statement, "My child develops similar values, attitudes, and social skills with that of his/her classmates and friends" yielded a weighted mean of 3.86. This is ranked 1 and described as agree. Rank 2 is the statement, "My child associates his/her personal identity with that of his/her peers, including the norms expected of him/her in his/her age group" (3.81, agree) while Rank 3 is "My child's peers greatly influence him/her in the television shows, including advertisements, that they regularly watch" with a mean of 3.80 (agree). Ranks 4 and 5 are "My child's peers sway him/her in the food that he/she prefers and consumes" (3.74, agree) and "My child's socialization with his/her peers, namely: classmates & friends is very important to him/her" (2.28, disagree) respectively. The socialization process of a growing child starts with the family but continues as the child widens his/her social horizon and meets his/her peers. Peers have a unique contribution to the socialization of a growing child until he/she reaches its adolescent age and even continues further in the later



stages of one's life. This fact is validated by the results of the questionnaire distributed to them.

Peer socialization impacts young children and growing adolescents in different ways and varying degrees. For example, relationships with friends directly or indirectly influence their values and attitudes, what is important to them and how they look at things. Values and attitudes include admiration for parents, teachers and peers, respect for other children's things, value on the use of money, and regard for studies and getting good grades. Thus, there are children who are respectful and choose to follow what their teachers and parents. However, some children may also not develop good values and attitudes.

Peer socialization likewise influence the development of one's own personal identify. An on-going process, the influence cannot be overlooked as they grow up to be their own person with their unique qualities and traits. Furthermore, peer socialization may likewise influence them in other ways. They see how their friends dress up and they share that with their parents. Oftentimes, they may want to choose or propose their own clothes as their parents may have a different "taste".

Secondly, they listen to their generation's type of music and the kind of television shows that they watch. As such, they can easily identify with their peers in relation to their likes and dislikes. Thirdly, these young children are influenced by their peers when they play computer games that their friends also enjoy. Lastly, their peers do influence the type of fast food restaurants where they eat and the particular food that they eat. While the students are generally young, from four (4) years old to 12, their peers' influence becomes evident as they grow older and this is most of the time apparent to their parents. In short, it can be concluded that peer socialization is part of the growing stage of a young children and the effect to their own personal development is present but not necessarily the same.

#### **2.5.6. Family Influence**

In addition, the researcher studied the extent of influence of the family on the children. Family influence refers to the

capacity or power of the members of the family to be a compelling force to the child or the ability to produce effects on his opinions, values, attitudes, and behavior. The results shown on the Table agreeably emphasize the influence of family members on their children's.

*Table 2.9. Family Influence on Children.*

<b>Statement</b>	<b>Weighted Mean</b>	<b>Interpretation</b>	<b>Ranking</b>
1. We and the family are the most important persons in my child's life.	<b>4.14</b>	Agree	<b>2</b>
2. My family significantly shapes my child's values and attitudes towards life, food, and watching television shows.	<b>4.26</b>	Agree	<b>1</b>
3. My family most importantly molds my child's social skills, including socializing and dining with people.	<b>3.93</b>	Agree	<b>3</b>
4. At home, my family decides which television shows to watch as we have only one (1) TV set. These include television advertisements that go with the shows.	<b>3.77</b>	Agree	<b>5</b>
5. My family greatly influences my child in deciding what food to eat and whether the food that he/she is eating is healthy or not.	<b>3.88</b>	Agree	<b>4</b>
<b>Grand Mean</b>	<b>4.00</b>	Agree	

Of the five statements included in this paper on family influence, the parents agreed on all five items. The respondents ranked 1 the statement, "My family significantly shapes my child's values and attitudes towards life, food, and watching

television shows” (4.26) and assessed as agree. This is followed by the statement, “We and the family are the most important persons in my child’s life” (4.14) as ranked 2 and evaluated as agree.

Rank 3 is “My family most importantly molds my child’s social skills, including socializing and dining with people” (3.93, agree). Ranks 4 and 5 are “My family greatly influences my child in deciding what food to eat and whether the food that he/she is eating is healthy or not” (3.88, agree) and “At home, my family decides which television shows to watch as we have only one (1) TV set. These include television advertisements that go with the shows” (3.77, agree) respectively.

While peer socialization influences the young children in these values and attitudes, it is the family that has a direct influence on who is the child and what will become of him/her as the person matures to adolescence and eventually to adulthood and even old age.

The family is the smallest unit of society that has been with the person from birth to maturity. As a child, it is the father, mother, siblings, if there are, who form part of his initial social unit. It is in the family where the child learns and develops his own personal identity. His values are introduced and consequently, his attitudinal behavior is likewise molded. With the family, the young child learns how to be part of the family and the rudiments of basic relations. They slowly learn how to interact with people outside their family, while knowingly fully well that they are secure in their own family.

Similarly, it is the family who directly influence their food and taste preference as in the food that they daily consume. Hence, whether healthy or not it is the family that greatly influence their eating habits. Lastly, the family has an effect on the types of television shows they watch, given that generally there is only one (1) television set per household. Compared to peer socialization, family influence produces a greater impact on the child. However, as the child matures, peer socialization may produce a greater impact as the child most of the time is with friends.

### 2.5.7. Fast Food Television Advertising

Fast food television advertising plays a significant role in society. Their influence on people's behavior, direct or indirect and positive or negative, refers to promoting fast food products and using the medium of television to reach out to its target market or the public as a whole. Table 2.10 shows the results of how the parents assessed the role of fast food television advertising in their children.

Of the five statements included in this paper on fast food television advertising, the parents agreed on all five items. The statement, "Fast food chains show attractive and exciting images on television that make their food more palatable and enticing to eat to children" yielded a weighted mean of 3.99. This is ranked 1 and described as agree.

*Table 2.10. Fast Food Television Advertising.*

Statement	Weighted Mean	Interpretation	Ranking
1. Fast food chains show attractive and exciting images on television that make their food more palatable and enticing to eat to children.	3.99	Agree	1
2. Fast food chains expose children to product messages through television advertising that communicate the quality of their food while delivering information to them in a personalized way.	3.78	Agree	4
3. Fast food chains project effective television advertising branding to children with respect to their food products.	3.89	Agree	3

Statement	Weighted Mean	Interpretation	Ranking
4. Through television advertising, fast food chains provide promotional giveaways and other forms of discounts to children.	3.71	Agree	5
5. Fast food chains through television advertising feature prominent individuals and celebrities to endorse their food products and convince children to patronize them.	3.93	Agree	2
<b>Grand Mean</b>	<b>3.86</b>	Agree	

Rank 2 is the statement, “Fast food chains through television advertising feature prominent individuals and celebrities to endorse their food products and convince children to patronize them” (3.93, agree) while Rank 3 is “Fast food chains project effective television advertising branding to children with respect to their food products” with a mean of 3.89 (agree).

Ranks 4 and 5 are “Fast food chains expose children to product messages through television advertising that communicate the quality of their food while delivering information to them in a personalized way” (3.78, agree) and “Through television advertising, fast food chains provide promotional give-aways and other forms of discounts to children” (3.71, agree) respectively.

For the last decades, companies have gone into different ways of promoting their products and services. These forms of promotion can come in varied forms like through radio, television, and print like use of flyers and brochures; through public relations; through promotional items and even giving of bulk or special discounts. For this research, the researcher concentrated on fast food television advertising.

Fast food television advertising is one form of promoting fast food chain products to the public. The use of attractive colors and the use of mascots can catch the attention of the consuming public. Eye-catching images can make their products more palatable to eat. To even make them even more appealing, other fast food chains use familiar faces like celebrities to sell their burgers, pizzas, fries, breakfast and lunch packs.

Efforts are exerted to promote the branding of their food products. In this study, all the four (4) fast food chains are branded. Hence, it is easy to promote them. Of the four (4) brands, three (3) are international brands while only one (1) is Filipino. In addition, their advertisements include a message of quality product. Furthermore, these companies regularly offer promotional give-aways at a low price. Promotional give-aways come in the form of toys that are tempting to children.

In short, the goal of fast food chains is to use television advertising mainly to catch the children’s attention. In doing so, they use a variety and mixture of colors, visuals, people, and desire for toys and others. Thus, they would have succeeded in capturing their desire to go to their stores and buy their food products.

**2.5.8. Food Segment Awareness**

In this study, the researcher looked more deeply into which specific variables is largely influenced by the television advertisement of the fast food chains considered in this study. These variables are food segment awareness, food and taste preference, frequency of consumption, and eating habits.

*Table 2.11. Food Segment Awareness.*

Statement	Weighted Mean	Interpretation	Ranking
1. Watching television advertisements creates awareness in the children on fast food chains’ new product offerings.	3.76	Agree	3

<b>Statement</b>	<b>Weighted Mean</b>	<b>Interpretation</b>	<b>Ranking</b>
2. My child develops familiarity of fast food products by regularly watching television advertisements of such products.	<b>3.82</b>	Agree	<b>1</b>
3. Through television advertising by fast food chains, my child feels comfortable and appreciative of the fun in eating fast foods with his/her family and friends.	<b>3.79</b>	Agree	<b>2</b>
4. My child gets to better understand fast food products as a result of watching television advertising said products.	<b>3.73</b>	Agree	<b>4</b>
5. Through regular watching of fast food television advertisements, my child is able to develop a certain degree of understanding and appreciation of fast food products.	<b>3.72</b>	Agree	<b>5</b>
<b>Grand Mean</b>	<b>3.76</b>	Agree	

Of the five statements included in this paper on food segment awareness, the parents agreed on all five items. The respondents ranked 1 the statement, “My child develops familiarity of fast food products by regularly watching television advertisements of such products” (3.82) and assessed as agree. This is followed by the statement, “Through television advertising by fast food chains, my child feels comfortable and appreciative of the fun in eating fast foods with his/her family and friends“(3.79) as ranked 2 and evaluated as agree.

Rank 3 is “Watching television advertisements creates awareness in the children on fast food chains’ new product offerings” (3.76, effective). Ranks 4 and 5 are “My child gets to better understand fast food products as a result of watching television advertising said products” (3.73, agree) and “Through regular watching of fast food television advertisements, my child is able to develop a certain degree of understanding and appreciation of fast food products” (3.72, agree) respectively.

Particularly, food segment awareness refers to the awareness, familiarity, observation, understanding and judgment of fast foods that are shown on television. In many instances, television advertising helps to make the public be aware of one’s products. It indirectly works on the building of product preference over its competitors.

To build product preference is to instill product knowledge. Building product preference is not a one-time process; it takes time to build it. Once a food product is repeatedly or regularly advertised on television, there is some form of product retention in the mind of the consumer, hoping that the television advertisement is able to develop an understanding of the fast food product on the part of the consumer. Once understanding is achieved, the consumer makes a choice between products and brands. In fact, it may or may not slowly develop appreciation of the food product. This is the true when a certain degree of preference is built. More importantly, preference is built on time and the frequency of experience of the fast food product through television advertisement. The mixture of product advertisement is also important; making the television advertisement interactive enhances awareness and preference, including the images and messages communicated.

### **2.5.9. Food and Taste Preference**

Food and taste preference refers to the desire, choice, propensity or inclination for fast foods that are shown on television. Table 2.12 illustrates the specific taste preference of the children.

*Table 2.12. Specific Food Taste Preference.*



Question	Frequency	Percentage (%)
What is the taste preference of your child? Choose only one.		
Little Sweet	165	41
Little Sour	0	0
Little Salty	115	29
Little Spicy	120	30
Total	400	100.00

Based on the results on the specific food taste preference of the children, 41% of the children according to their parents prefer food that is a little sweet; 30% a little spicy; and 29% a little salty. No one preferred food that is a little sour.

From the results of the specific taste preference of the children, they have more preference with sweeter food. Taste buds may be due to the milk (somewhat sweet) that they drank while they were young or the candies and chocolates they ate in their younger days. However, there seems to be a liking for both salty and spicy fast food. Eating fries and chips may have contributed to these taste preferences.

*Table 2.13. Food and Taste Preference.*

Statement	Weighted Mean	Interpretation	Ranking
1. Television advertisements of fast food chains develop in my child a desire to eat fast foods.	<b>3.79</b>	Agree	<b>3</b>
2. Television advertisements of fast food chains allow my child to develop unique choices for fast food products.	<b>3.71</b>	Agree	<b>1</b>
3. Television advertisements of fast food chains assure high exposure of my child to taste preference for fast foods.	<b>3.75</b>	Agree	<b>2</b>

Statement	Weighted Mean	Interpretation	Ranking
4. Television advertisements of fast food chains establish strong fast food product association in the mind of my child.	3.68	Agree	4
5. Television advertisements of fast food chains successfully develop in my child a food and taste desire to eat fast foods compared to other foods.	3.65	Agree	5
<b>Grand Mean</b>	<b>3.72</b>	Agree	

Of the five statements included in this paper on food and taste preference, the parents agreed on all five items.

The statement, “Television advertisements of fast food chains develop in my child a desire to eat fast foods” yielded a weighted mean of 3.79. This is ranked 1 and described as agree. Rank 2 is the statement, “Television advertisements of fast food chains assures high exposure of my child to taste preference for fast foods” (3.75, agree) while Rank 3 is “Television advertisements of fast food chains allow my child to develop unique choices for fast food products” with a mean of 3.71 (agree). Ranks 4 and 5 are “Television advertisements of fast food chains establish strong fast food product association in the mind of my child” (3.68, agree) and “Television advertisements of fast food chains successfully develops in my child a food and taste desire to eat fast foods compared to other foods” (3.65, agree) respectively.

Food and, particularly, taste preference are inevitably affected by what is shown on television. Television advertisement showing French fries create a craving for fried food, including fried chicken and burgers. Because sugary food items are appealing to the taste buds, cookies as advertised create a desire for sweet food items like chocolates, sundaes, yogurts and ice creams. Carbonated drinks are not exempted. Big slices of pizzas

are desirable to children. On the other hand, other foods include vegetables and salads. These are not too popular to them. In short, it can be stated that advertisements on television have become very effective in influencing what the children love to eat.

### 2.5.10. Frequency of Consumption

Frequency of consumption refers to the regularity and recurrence of eating fast foods as a result of television advertising.

*Table 2.14. Frequency of Consumption.*

Question	Frequency	Response	Percentage (%)
How often does your child eat fast food products? Choose only one which is most likely.	Everyday	12	3
	Twice a Week	63	16
	Only on Weekends	83	21
	Once a Week	159	40
	Every Two Weeks	40	10
	Every month	43	10
		400	100.00

Table 2.14 shows the number of times children frequently eating at fast food stores. Forty percent eat once a week while 21% eat in these fast food chains only on weekends. In addition, 16% eat fast food twice a week while 10% each eat every two (2) weeks and every month. Only 3% go to fast food stores to eat every day.

Frequency of consumption is determined by different and a variety of circumstances. While television advertising is one important determinant of frequency of consumption, there are other variables that may influence how often a person goes out to eat fast food. One reason that one can look at is convenience. A number of parents eat in fast food chains to simplify their cooking obligation. Eating outside will lessen their cooking chore, simplify their food menu, and escape cleaning after eating at home.

Secondly, some parents eat more often because of the affordability. They are in a better position to pay for their food because of their monthly incomes. Another reason is the socialization part of eating outside in fast food stores. There is enjoyment in people's company. These are opportunities to share and bond with families and friends. Another reason for eating outside in fast food chains is the food quality. If the quality of the

food is acceptable, more consumers will patronize the fast food chains and hence, eat more frequently in those places. For all these stated reasons including television advertisements, frequency of eating outside is largely affected.

### 2.5.11. Eating Habits

Eating habits refer to the consumption behavior pattern that is customarily followed by children.

*Table 2.15. Eating Habits.*

<b>Statement</b>	<b>Weighted Mean</b>	<b>Interpretation</b>	<b>Ranking</b>
1. As a result of television advertisements by fast food chains, the diet of my child consists mainly of fried chicken and burgers.	<b>3.22</b>	Slightly agree	<b>5</b>
2. As a result of television advertisements by fast food chains, my child consumes more of sweet beverages, ice creams and sundaes.	<b>3.64</b>	Agree	<b>1</b>
3. As a result of television advertisements by fast food chains, the diet of my child is not balanced and has developed health issues.	<b>3.57</b>	Agree	<b>2</b>
4. As a result of television advertisements by fast food chains, my child has developed poor eating habits.	<b>3.38</b>	Slightly agree	<b>4</b>
5. As a result of television advertisements by fast food chains, my child has become overweight or even obese.	<b>3.49</b>	Slightly agree	<b>3</b>
<b>Grand Mean</b>	<b>3.72</b>	Slightly agree	

Of the five statements included in this paper on eating habits, the parents agreed on two items and slightly agree on three

items. The statement, “As a result of television advertisements by fast food chains, my child consumes more of sweet beverages, ice cream and sundaes” yielded a weighted mean of 3.64. This is ranked 1 and described as agree. Rank 2 is the statement, “As a result of television advertisements by fast food chains, the diet of my child is not balanced and he/she has developed health issues” (3.57, agree) while Rank 3 is “As a result of television advertisements by fast food chains, my child has become overweight or even obese” with a mean of 3.49 (slightly agree).

Ranks 4 and 5 are “As a result of television advertisements by fast food chains, my child has developed poor eating habits” (3.38, slightly agree) and “As a result of television advertisements by fast food chains, the diet of my child consists mainly of fried chicken and burgers” (3.22, slightly agree) respectively.

Eating habits are eating patterns adopted by individuals through the years. Some have a propensity to consume “sweet foods” while others do not crave for these foods. Chocolates and cookies are part of their eating favorites, not to mention, sweet and carbonated drinks, ice cream and sundaes. There are likewise some people who go for heavy carbohydrates, fries and chips and other fried foods that increase calorie intake.

Television advertisements are largely responsible for encouraging the adoption of poor eating habits. To a certain extent, these types of foods contribute to unhealthy diets and eventually lead to obesity. Obesity has become a systemic problem of children who believe that fast foods are the best and healthy foods. Because fast foods are relatively inexpensive and tasty, these advantages motivate consumers to increase their consumption of unhealthy foods. Oftentimes, consumers are not aware of the harmful effects of fast food as it is being hidden by the enjoyment of its taste. Nutritional values are not given importance.

#### **2.5.12. Hypothesis Testing**

The hypothesis testing in this section of the study attempts to answer to what extent fast food television advertising

significantly contributes to food segment awareness, food and taste preference, frequency of consumption, and eating habits. To answer the stated hypotheses, the researcher used multiple regressions.

**Hypothesis 1:** Fast food television advertising does not significantly contribute to the children’s food segment awareness.

Using regression analysis, the regression equation for food segment awareness for the four (4) fast food chains are as follows:

$$FSA_{Jollibee} = 3.71 + 0.389_{TA1} + 0.376_{TA2} - 0.284_{TA3} + 2.078_{TA4} + 1.454_{TA5}$$

Referring to Table 2.16, the significant contribution of television advertisements of specific fast food chains on food segment awareness are shown in the respective Beta coefficients.

The higher-value Beta coefficients are the variables, TA4 or the use of promotional give-aways and other promotional discounts and TA5 or the use of celebrities to promote and convince the children to patronize the fast food chains which in this case is Jollibee.

For example, 2.078 in the column of Jollibee means that for every increase of one (1) unit of TA4, there is a corresponding increase of 2.078 in food segment awareness of Jollibee and 1.454 in the column of Jollibee means that for every increase of one (1) unit of TA5, there is a corresponding increase of 1.454 in food segment awareness of Jollibee.

Note that this interpretation is true for the other positive values although their respective effect will vary depending on the values of the Beta coefficients. In short, the Beta coefficients show the extent of the significant contribution of fast food television advertising on the children’s food segment awareness.

*Table 2.16. Regression Results: Television Advertising on Food Segment Awareness.*

Statement	Beta Coefficients			
	Jollibee	Mc Donalds	KFC	Burger King
Fast food chains show attractive and exciting images on television that make their food more palatable and enticing to eat to children. (TA1)	0.389	-0.996	0.158	0.030
Fast food chains expose children to product messages through television advertising that communicate the quality of their food while delivering information to them in a personalized way. (TA2)	0.376	-0.922	-1.223	0.605
Fast food chains project effective television advertising branding to children with respect to their food products. (TA3)	-0.284	-0.187	-1.653	-1.174
Through television advertising, fast food chains provide promotional give-aways and other forms of discounts to children. (TA4)	2.078	-0.362	2.078	0.739
Fast food chains through television advertising feature prominent individuals and celebrities to endorse their food products and convince children to patronize them. (TA5)	1.454	2.766	0.525	-0.200

The other regression equations are as follows:

$$FSA_{McDo} = 18.05 - 0.996_{TA1} - 0.922_{TA2} - 0.187_{TA3} - 0.362_{TA4} + 2.766_{TA5}$$

$$FSA_{KFC} = 19.296 + 0.158_{TA1} - 1.223_{TA2} - 1.653_{TA3} + 2.078_{TA4} + 0.525_{TA5}$$

$$FSA_{BK} = 18.43 + 0.030_{TA1} + 0.605_{TA2} - 1.174_{TA3} + 0.739_{TA4} - 0.200_{TA5}$$

The interpretations are as follows: The Beta coefficient, 2.766, in the column of McDonalds means that for every increase of one (1) unit of TA5, there is a corresponding increase of 2.766 in food segment awareness of McDonalds; 2.078 in the column of KFC means that for every increase of one (1) unit of TA4, there is

a corresponding increase of 2.078 in food segment awareness of KFC; and 0.739 in the column of Burger King means that for every increase of one (1) unit of TA4, there is a corresponding increase of 0.739 in food segment awareness of Burger King.

**Hypothesis 2:** Fast food television advertising does not significantly contribute to the children’s food and taste preference.

Using regression analysis, the researcher determine to what extent does television advertisements contribute to the children’ food and taste preference. The regression equations for food and taste preference for the four (4) fast food chains are as follows:

$$TP_{Jollibee} = 3.69 - 0.319_{TA1} + 0.504_{TA2} - 0.072_{TA3} + 3.236_{TA4} + 1.486_{TA5}$$

Referring to Table 16, the higher-value Beta coefficients are the variables, TA4 and TA5 which are the use of promotional give-aways and other promotional discounts and the use of celebrities to promote and convince the children to patronize the fast food chains.

For example, 3.236 in the column of Jollibee means that for every increase of one (1) unit of TA4, there is a corresponding increase of 3.236 in food and taste preference of Jollibee and 1.486 in the column of Jollibee means that for every increase of one (1) unit of TA5, there is a corresponding increase of 1.486 in food and taste preference of Jollibee. Take note that this interpretation is true for the other positive values although their respective effect will vary depending on the values of the Beta coefficients. In short, the Beta coefficients show the extent of the significant contribution of fast food television advertising on the children’s food and taste preference.

*Table 2.17. Regression Results: Television Advertising on Food & Taste Preference.*



Statement	Beta Coefficients			
	Jollibee	Mc Donalds	KFC	Burger King
Fast food chains show attractive and exciting images on television that make their food more palatable and enticing to eat to children. (TA1)	-0.319	0.102	-0.342	-2.129
Fast food chains expose children to product messages through television advertising that communicate the quality of their food while delivering information to them in a personalized way. (TA2)	-0.504	-0.289	-0.497	1.249
Fast food chains project effective television advertising branding to children with respect to their food products. (TA3)	0.072	-0.539	-1.814	-1.210
Through television advertising, fast food chains provide promotional give-aways and other forms of discounts to children. (TA4)	3.236	-0.823	2.805	1.039
Fast food chains through television advertising feature prominent individuals and celebrities to endorse their food products and convince children to patronize them. (TA5)	1.486	2.651	-0.032	0.562

The other regression equations are as follows:

$$TP_{McDo} = 14.08 + 0.102_{TA1} - 0.289_{TA2} - 0.539_{TA3} - 0.823_{TA4} + 2.651_{TA5}$$

$$TP_{KFC} = 18.26 - 0.342_{TA1} - 0.497_{TA2} - 1.814_{TA3} + 2.805_{TA4} - 0.032_{TA5}$$

$$TP_{BK} = 21.59 - 2.129_{TA1} + 1.249_{TA2} - 1.210_{TA3} + 1.039_{TA4} + 0.562_{TA5}$$

The interpretations are as follows: The Beta coefficient, 2.766, in the column of McDonalds means that for every increase of one (1) unit of TA5, there is a corresponding increase of 2.766 in food segment awareness of McDonalds; 2.078 in the column of KFC means that for every increase of one (1) unit of TA4, there is

a corresponding increase of 2.078 in food segment awareness of KFC; and 0.739 in the column of Burger King means that for every increase of one (1) unit of TA4, there is a corresponding increase of 0.739 in food segment awareness of Burger King.

**Hypothesis 3:** Fast food television advertising does not significantly contribute to the children’s frequency of consumption.

Using regression analysis, the regression equations for the contribution of television advertisement on the children’ frequency of consumption for the four (4) fast food chains are as follows:

$$FC_{Jollibee} = 1.48 + 0.485_{TA1} + 0.350_{TA2} - 0.130_{TA3} + 0.929_{TA4} + 0.076_{TA5}$$

The Beta coefficient variable, TA1, showing attractive and exciting images on television that make their food more palatable and enticing to eat has the greatest impact on frequency of consumption. For example, 0.485 in the column of Jollibee means that for every increase of one (1) unit of TA1, there is a corresponding increase of 0.485 in frequency of consumption of Jollibee. This interpretation is true for the other positive values although their respective effect will vary depending on the values of the Beta coefficients. In short, the Beta coefficients show the extent of the significant contribution of fast food television advertising on the children’s frequency of consumption. Refer to Table 2.18.

Table 2.18. Regression Results: Television Advertising on Frequency of Consumption.

Statement	Beta Coefficients			
	Jollibee	Mc Donalds	KFC	Burger King
Fast food chains show attractive and exciting images on television that make their food more palatable and enticing to eat to children. (TA1)	0.485	-0.248	-0.578	-0.284

Statement	Beta Coefficients			
	Jollibee	Mc Donalds	KFC	Burger King
Fast food chains expose children to product messages through television advertising that communicate the quality of their food while delivering information to them in a personalized way. (TA2)	0.350	-0.233	0.339	0.166
Fast food chains project effective television advertising branding to children with respect to their food products. (TA3)	0.130	0.043	-0.048	0.159
Through television advertising, fast food chains provide promotional give-aways and other forms of discounts to children. (TA4)	-0.929	0.323	-0.373	-0.351
Fast food chains through television advertising feature prominent individuals and celebrities to endorse their food products and convince children to patronize them. (TA5)	0.076	-0.008	0.542	0.493

Other regression equations are as follows:

$$FC_{McDo} = 3.08 - 0.248_{TA1} - 0.233_{TA2} + 0.043_{TA3} + 0.323_{TA4} - 0.008_{TA5}$$

$$FC_{KFC} = 2.25 + 0.578_{TA1} + 0.339_{TA2} - 0.048_{TA3} - 0.373_{TA4} + 0.542_{TA5}$$

$$FC_{BK} = 1.83 - 0.284_{TA1} + 0.166_{TA2} + 0.159_{TA3} - 0.351_{TA4} + 0.493_{TA5}$$

The interpretations are as follows: The Beta coefficient, 0.323, in the column of McDonalds means that for every increase of one (1) unit of TA4, there is a corresponding increase of 0.323 in frequency of consumption of McDonalds; 0.542 in the column of KFC means that for every increase of one (1) unit of TA5, there is a corresponding increase of 0.542 in frequency of consumption of KFC; and 0.493 in the column of Burger King means that for every increase of one (1) unit of TA5, there is a corresponding increase of 1.249 in frequency of consumption of Burger King.

**Hypothesis 4:** Fast food television advertising does not significantly contribute to the children’s eating habits.

Using regression analysis, the regression equations for the contribution of television advertisements on eating habits for the four (4) fast food chains are as follows:

$$EH_{Jollibee} = 11.52 + 0.872_{TA1} - 0.631_{TA2} - 0.020_{TA3} - 0.471_{TA4} + 1.614_{TA5}$$

The Beta coefficient variable, TA5, featuring prominent individuals and celebrities to endorse their food products and convince our children to patronize them has the highest impact on eating habits. For example, 1.614 in the column of Jollibee means that for every increase of one (1) unit of TA5, there is a corresponding increase of 1.614 in eating habits of Jollibee. This interpretation is true for the other positive values although their respective effect will vary depending on the values of the Beta coefficients. In short, the Beta coefficients show the extent of the significant contribution of fast food television advertising on the children’s eating habits. Refer to Table 2.19.

*Table 2.19. Regression Results: Television Advertising on Eating Habits.*

Statement	Beta Coefficients			
	Jollibee	Mc Donalds	KFC	Burger King
Fast food chains show attractive and exciting images on television that make their food more palatable and enticing to eat to children. <b>(TA1)</b>	0.485	-0.248	-0.578	-0.284
Fast food chains expose children to product messages through television advertising that communicate the quality of their food while delivering information to them in a personalized way. <b>(TA2)</b>	0.350	-0.233	0.339	0.166
Fast food chains project effective television advertising branding to children with respect to their food products. <b>(TA3)</b>	0.130	0.043	-0.048	0.159

Statement	Beta Coefficients			
	Jollibee	Mc Donalds	KFC	Burger King
Through television advertising, fast food chains provide promotional give-aways and other forms of discounts to children. (TA4)	-0.929	0.323	-0.373	-0.351
Fast food chains through television advertising feature prominent individuals and celebrities to endorse their food products and convince children to patronize them. (TA5)	0.076	-0.008	0.542	0.493

Other regression equations are as follows:

$$EH_{McDo} = 15.88 - 0.585_{TA1} - 0.526_{TA2} - 0.859_{TA3} + 0.311_{TA4} + 2.295_{TA5}$$

$$EH_{KFC} = 19.48 - 1.296_{TA1} + 0.841_{TA2} - 1.893_{TA3} + 2.332_{TA4} - 0.183_{TA5}$$

$$EH_{BK} = 18.19 - 1.718_{TA1} + 0.790_{TA2} + 1.464_{TA3} - 1.467_{TA4} + 3.537_{TA5}$$

The interpretations are as follows: The Beta coefficient, 2.295, in the column of McDonalds means that for every increase of one (1) unit of TA5, there is a corresponding increase of 2.295 in eating habits of McDonalds; 2.332 in the column of KFC means that for every increase of one (1) unit of TA4, there is a corresponding increase of 2.332 in eating habits of KFC; and 3.537 in the column of Burger King means that for every increase of one (1) unit of TA5, there is a corresponding increase of 3.537 in eating habits of Burger King.

In summary, the results of regression analysis show that there are two (2) significant variables in television advertisements that significantly contribute to food segment awareness, food and taste preference, frequency of consumption and eating habits. These specific variables are TA4 which is using promotional give-aways and other promotional discounts and TA5 which is featuring prominent individuals and celebrities to endorse their food products and convince the children respectively to patronize the fast food products. The other variables of television advertisements may have less significant contribution, negligible

or no contribution at all. Given the variables that are part of the food consumption patterns of the children and given the on-going changes that may or may influence these children, the television medium of advertising is too important to ignore. Using popular celebrities do influence children as they directly or indirectly identify themselves with them. They idolize their good looks, good skin, and good hair and hence, want to be like them. Therefore, when these public celebrities are shown on television, they become powerful and persuasive advocates of the fast food products they are sponsoring. Therefore, parents need to be proactive in dealing with ways to minimize the impact of television advertisement on their children. Since the children are still growing up and since the parents hold a unique power over their children, continuous guidance and explanation, as well as, sharing of ideas should be done regularly or when opportunities allow.

## **2.6. Conclusions and Recommendations**

Essentially, the researcher studied the impact of television advertisement of four (4) fast food chains on children's wants from the perspectives of parents residing in Pasig City. The four (4) fast food chains included in the study were Jollibee, McDonalds, KFC, and Burger King. Specifically, the variables included in this research were food segment awareness, food and taste preferences, frequency of consumption and eating habits.

In the conduct of this research, the research locale was Pasig City in Metro Manila, Philippines. With a population of 755,000 (Philippine Statistics Authority, 2015) as of 2015, the sample size of 400 was computed with a 5% margin of error. A questionnaire was prepared, validated and distributed to the parents who were respondents in this study. The questionnaires were floated, then collected and subjected to statistical measures and formulas.

The study looked into the profiles of the parents and their respective children, including the parents' points of view on the peer socialization and family influence of their children and more importantly, the impact of television advertisement on the

children with regard to their food segment awareness, food and taste preferences, and frequency of consumption and eating habits. The findings, conclusions, and recommendations are as follows.

### **2.6.1. Findings**

Based on the research study undertaken by the research, the following findings are enumerated as follows:

1. With respect to the demographic profiles of the parents, 72% of the parents in this study are female while 28% are male. Thirty-two percent of the respondents are within the age group from 25 to 35 years; 31% are in the ages of 36 - 46 years; 20% are from 47 to 57 years old; 10% are below 25 years of age and lastly, 7% are 58 years and above. In addition, 86% of the parents are either high school or college graduates; 11% have completed graduate studies and 3% with postgraduate studies. Sixty percent of these parents have from one (1) child to two (2) children; 22% have from three (3) to four (4) children; 18% have more than four (4) children. With regards to monthly incomes, 35% receive monthly incomes from P15,000 – 25,999; 34% have incomes below P15,000; 18% make monthly incomes from P26,000 – 36,999; 7%, 4%, and 2% have monthly incomes ranging from P48,000 to P58,999, P37,000 to P47,999 and P59,000 and above respectively.
2. With respect to the demographic profiles of the children, 77% are male while 23% are female; 41% are from 4 to 6 years; 36% are from 7 to 9 years and 23% are from 10 to 12 years. With respect to level of education, 35% of the children are in Grades 4 to Grade 5; 28% both are kindergarten and Grades 1 to 3 students and 9% are in Grade 7. In relation to the weekly allowance of the children, 37% have weekly allowances of below P500; 31% are given from P500 – P620 weekly allowance and 17% of the children enjoy from P621 – 741.
3. With respect to how the parents evaluate their children on their level of peer socialization, the grand mean was 3.50 and for the degree of family influence, the grand mean was 4.0.
4. With regards to the extent of fast food television advertisements that the children are exposed to, the individual weighted means ranged from 3.71 to 3.99.

5. In terms of how parents evaluate their child/children in terms of food segment awareness, food and taste preference, frequency of consumption, and eating habits, the grand means are 3.76 for food segment awareness and 3.72 for food and taste preference.

For frequency of consumption, 40% eat once a week in fast food stores; 21% eat in these fast food chains only on weekends; 16% eat fast food twice a week; and 10% each eat every two (2) weeks and every month and just 3% eat in fast food stores every day. Lastly, for eating habits, the grand mean was 3.46.

6. In terms of the impact of fast food television advertising on the children's degree of food segment awareness, food and taste preference, frequency of consumption, and eating habits, the Beta coefficients included positive and negative numbers.
- For food segment awareness, the highest Beta coefficients for Jollibee, McDonalds, KFC and Burger King were 2.078TA4, 2.766TA5, 2.078TA4 and 0.739TA4 respectively.
  - For food and taste preference, the highest Beta coefficients for Jollibee, McDonalds, KFC and Burger King were 3.236TA4, 2.651TA5, 2.805TA4 and 1.249TA2 respectively.
  - For highest frequency of consumption, the highest Beta coefficients for Jollibee, McDonalds, KFC and Burger King were 0.485TA1, 0.323TA4, 0.542TA5 and 0.493TA5 respectively.
  - For eating habits, the highest Beta coefficients for Jollibee, McDonalds, KFC and Burger King were 1.614TA5, 2.295TA5, 2.332TA4 and 3.537TA5 respectively.

## 2.6.2. Conclusions

On the basis of the findings, the following conclusions are formulated:

1. Majority of the parents who attend to their children's needs are female more than male, most of which are young and mature who are concerned with their being parents for their



children. When it comes to their level of education, majority have achieved an acceptable degree of academic achievement. While only parents with children were included in the study, more than one-half of them have generally smaller families. When it comes to purchasing power, most of these parents range from living comfortably on the average or try to make both ends meet.

2. Majority of the children are boys who are young in their grade school with limited spending allowance.
3. In terms of peer socialization and family influence, the parents agree that the family and the people within the social circle of their children do influence who their children are and their perspectives, how they see things, how they act, how they decide and even their preferences. This means that these two (2) important factors are detrimental to the personal growth and development of their children.
4. Parents agree that showing attractive and exciting images on television by fast food stores makes their food more palatable and enticing to the children and exposing children to product messages through television advertising helps communicate the quality of their food, more particularly delivering information to their children in a personalized way. Furthermore, they agree that through effective television advertising, their branding is created whether directly or subtly to the children. In addition, they share the opinion that providing promotional give-aways and other forms of discounts, including using popular celebration as promotional figures are effective to the children.
5. For food segment awareness, the parents in this research agree that their children possess an awareness of the different food products of fast food chains included in this study. They have somehow established or built within themselves a certain preference for particular taste whether on the sweet, spicy, salty and sour side. This preference may likewise contribute to the frequency of their consumption. However, the parents slightly agree on the contribution of television advertisements to their children's eating habits.
6. In terms of the contribution of television advertisements on the children's degree of food segment awareness, food and

taste preference, frequency of consumption, and eating habits, two prominent high value positive Beta coefficients of the independent variable, television advertisements were extracted. These are the use of popular celebrities in the promotional advertising of fast food chains and their products and the offering of promotional items at a discounted price. These two television advertising marketing strategies appear to be effective in the selling of fast food products.

### **2.6.3. Recommendations**

Based on the stated conclusions, the following recommendations are being given:

1. Given the demographic profile of the parents who are residing in Pasig City and who are young and average to below average in their monthly incomes, it is recommended that another study can be conducted in one of the provinces, where the parents are older or more mature with higher purchasing capability.
2. Similarly, another study can be conducted on junior and senior high school students since their personal growth development may have accelerated compared to the children who belong to the age range of from 4 to 12.
3. In consonance to the growth and development of children, it is suggested that the growing impact of peers and friends be analyzed more in depth; likewise, the significant role that parents and family members play in their children. Due to the changing times, their influence may have evolved differently, positively or negatively.
4. Aside from the promotional strategy of using television advertisements to entice individuals to purchase fast food products, other marketing strategies can be focused on like using price differentiation, focus on nutrition and healthy consumption, emphasis on caloric counts and glycemic indices and other strategies that can bring about a better promotional but worthwhile strategy.
5. Parents need to start educating their children on the role that television advertisements play in their food choice and explain to them that the use of popular celebrities should be

downplayed or the giving of promotional discounted gifts be assessed objectively they should evaluate the outcomes of eating unhealthy fast food products and only patronize the healthy and nutritious ones.

6. Having recognized the significant influence of television advertising on the food knowledge and understanding of children, their likes and dislikes on fast food products, their desire to eat regularly if not every day in fast food stores, and their diets and health and while parents play a significant role in all of these, it is inevitable that the focal point of this research is the parents. Hence, it is recommended that parents attend seminar trainings on proper health and nutrition, the effect of mass media when products are advertised, and the need to encourage home and healthy cooking.
7. Family sessions can be conducted by non-government agencies in communities for all family members to evaluate what is best for their eating consumption whether at home or in other places. Furthermore, wise judgment should inculcate in the minds of the family members such that even the parents are not around, their decision for healthy eating of fast food products is consonance to wholesome, nutritious and hence beneficial lifestyle.
8. The Government can require fast food centers to state the number of calories of each of the products they sell to the public.

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## ARTICLE 3

### Business Plan 1

#### Executive Summary

<b>Title:</b>	<b>Calle Cuisine</b>
<b>Proponents:</b>	Almira Alcantara; Sheila Cochisa; Melissa Guilas; Mark Magno; and Philip Michael Reyes
<b>Subject:</b>	Project Research and Development
<b>School Year:</b>	AY 2018-2019
<b>Adviser:</b>	Paulo Noel Mazo

#### **3.1. Objective of the Project**

Student's day to day activities are packed with classes, assignments, and studying, not to mention a social life and maybe a part-time job. Imagine if most of them has no time for healthy eating? Eating regularly and choosing healthy portions of nutritious foods can help students to have a healthy body and healthy mind.

This is the reason why the proponents have come up with Calle Cuisine, a venture that will operate inside the Philippine School of Business Administration (PSBA) – Manila which primary goal is to offer healthy, safe and affordable meals. We aim to be the “first and only choice” of every students and employees in a way that they would prefer to eat at Calle Cuisine rather than going outside the school to find and buy unhealthy meals.

##### **3.1.1. Business Concept**

“Healthy Foods for Healthy Minds”. This is the general slogan of Calle Cuisine. It was designed to offer almost the same product options that are sold outside the school. Typical Filipino dishes, Silog meals, banana cue, Potato fries are some of these.

The main difference is that, meals and ingredients used by Calle Cuisine are carefully planned and selected. Offering healthy and nutritious foods are always on top of its priority.

The establishment shall serve as a venue for the development of desirable eating habits of most students and employees. We all know that PSBA is located along the Hepa Lane - the place where you can buy cheaper but not hygienic food.

### **3.1.2. Business Prospect**

Calle Cuisine aims to target the students and employees of Philippine School of Business Administration (PSBA) - Manila. Students on a tight budget will be encouraged to come hungry and leave healthy. Calle Cuisine will offer single/solo, combo and group meals which prices are closely comparable with the prices offered by competitors outside the school.

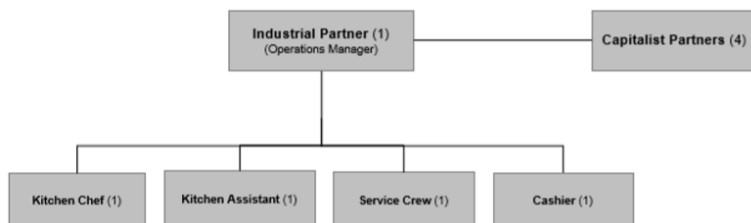
### **3.2. Location of the Project**

Calle Cuisine is located within the Philippine School of Business Administration Manila. Employees and students will opt to buy their meals and snacks inside the school because Calle Cuisine can offer a variety of foods which is not only affordable but also healthy and nutritious.

### **3.3. Legal Structure**

The PSBA canteen offer's healthy food for every students and employees of the Philippine School of Business Administration operated by Calle Cuisine and owned by five partners. Mr Philip Reyes, Mr. Mark Magno, Ms. Melissa Guilas, Ms. Almira Alcantara and Ms Sheila Cochisa are all Filipino citizens, regulated by the Securities and Exchange Commission (SEC) of the Philippines. Calle Cuisine is separate and distinct, wherein it protects the partner's individual assets from that of the company, whose liability in a partnership is limited to the amount of their capital. The partners will raise a start-up capital of

P3,500,000 before the first year of operations. The capital is a combination of individual cash investments of P500,000.00 and P3,000,000 loan from the bank. The four capitalist partners will contribute P500,000.00 which is equally distributed by 25% or P125,000 each.



*Figure 3.1. Calle Cuisine Organizational Chart*

### **3.4. Brief Description of the Project**

#### **3.4.1. History and Position to Date**

Calle Cuisine was conceptualized and formed by group of MBA students from the Philippine School of Business Administration, Manila. It is composed of five professionals who have individual field of expertise, namely: Melissa Guilas, Sheila Cochisa, Almira Alcantara, Philip Reyes and Mark Magno. Before, the canteen was managed and owned by a third-party concessionaire. But with the initiative of current administration of PSBA, and in compliance with the mandate of Commission on Higher Education (CHED) to have an auxiliary service such as bookstore and canteen, the group decided to do a business plan to furtherly improved the Canteen Management and to contribute for the profitability of PSBA- Canteen.

#### **3.4.2. Mission**

We offer quality and healthy choices at reasonable price that gives absolute satisfaction and contentment to the appetite of students and employees. We are committed to satisfy customers' needs by providing world class customer service, cool atmosphere and sumptuous meals.

### 3.4.3. Vision

Calle Cuisine envisions to be the leading canteen in the university belt of Manila. Providing a wide array of delicious, healthy, and affordable food to the constituents. And to drive towards a well-known catering services in the years to come.

### 3.4.4. Company Logo



*Figure 3.2. Calle Cuisine Logo.*

the food that we serve. The green apple represents a healthy mind and the books symbolizes continuous learning and education. The brand name “CALLE CUISINE” was created based from the Spanish word “Calle” which means street, and “cuisine” from the French word means kitchen. It describes that the products we offer was undergone thorough quality checks before serving to the customers though the price is inexpensive, we also promote healthy community.

The shape of Calle Cuisine’s Logo is square. It represents the four sides of square which symbolizes the four core values of the company. The color of the logo is a combination of green and white which represents the vision and mission of the company. The green color promotes love of nature and healthy living while the white color indicates the cleanliness of

### 3.4.5. Product Capacity or Project Size/Scale

Calle Cuisine offers a variety of foods that will satisfy the hunger of every Filipino. Ensuring that every dish that we prepare and serve are fresh and affordable. We offer Breakfast and lunch meals including snacks that adds value to our customer needs. Our Digital menu is flexible and convenient because every day or weekly we can improve and change it based on our open suggestions box that will be part of our service quality monitoring.



Calle Cuisine also offers a Shake Bar that will be located on the left side of the counter section. We will offer the most refreshing juices from our native fruits that is perfect for everyone.

As part of our core values, we are committed to provide quality and excellence on our products and services, with the passion and enthusiasm that are instill in each employee, the company develops authenticity and cultural connection to our customers and as part of the organization's advocacies we promote social and ecological responsibility.

#### **3.4.5.1. Features**

Calle Cuisine offers healthy, nutritious and affordable meals designed for its customers. The food that we offer is more hygienic compared to the outside stores because we prioritize our customer's health. It is more convenient to the customers especially for students with limited break time to purchase outside the school. By eating inside Calle Cuisine, customers will have a chance to view the menus that will be offered in the coming week. The ambience at Calle Cuisine is cool and relaxing. A smartly designed menu can do wonders in our store because we will use a digital menu board. It will be one of our advantages compare to others to attract more customers.

#### **3.4.5.2. Advantages**

The following are the advantages of our store:

- Freshness of our product
- Affordable price
- Convenient

#### **3.4.5.3. Production Process**

1. Purchasing
  - Weekly planning of ordering of raw materials.
  - Just-In-time inventory method
  - Ensure the freshness of raw materials received.
  - Accurate forecast or event before ordering to avoid overstock/understock of raw materials.
2. Storing

- Proper storage of all the items like frozen foods, chilled and dry items.
- Store food in suitable covered containers.
- Avoid refreezing of thawed foods.
- Check and observe the use-by dates of the products

### 3. Preparation

- Always wash hands with warm water and soap.
- Don't cross-contaminate. Keep raw meat, poultry, fish, and their juices away from other food. After cutting raw meats, wash cutting board, utensils, and countertops with hot, soapy water.
- Cutting boards, utensils, and countertops can be sanitized by using a solution of tablespoon of unscented, liquid chlorine bleach in 1 gallon of water.
- Marinate meat and poultry in a covered dish in the refrigerator.

### 4. Processing/Cooking

- Make sure that all the ingredients are well-portion.
- Do not wipe your hands on your clothing as this can easily transfer microbes and
- bacteria.
- Do not taste foods with any utensil used either to mix or stir food.
- Pick up and hold all tableware by the handles.
- Store tableware away from dust.
- Be careful when lifting lids from hot food.

#### **3.4.5.4. Daily Operation and Production**

The day to day operation of Calle Cuisine is from 6:00 am to 6:00 pm, open from Monday to Saturday. The industrial partner will play a vital role in managing Calle Cuisine's operational processes.

#### **3.4.5.5. Service**

Since the canteen is self-service, all foods are readily available from the counter area except for the shakes. We also promote "CLAYGO" Clean As You Go, as part of our social and ecological responsibility to maintain the cleanliness of the canteen

at the same time helping every individual to increase their environment awareness.

### 3.4.5.6. Product Costing

Our product cost will be ranging from 30-35% and the other 65 to 70% includes the fixed cost and profit.

*Table 3.1. Product Costing Table 1-29.*

No.	Type	Name of Dish	Cost / Yield	Price	Cost % Per Yield
1	BREAKFAST	TOCILOG	P23.08	P60.00	38.47%
2	BREAKFAST	LONGSILOG	P20.28	P45.00	45.07%
3	BREAKFAST	EMBUSILOG	P18.38	P50.00	36.77%
4	BREAKFAST	SIOSILOG	P15.06	P45.00	33.47%
5	BREAKFAST	TAPASILOG	P22.38	P60.00	37.30%
6	BREAKFAST	HOTSILOG	P16.01	P45.00	35.57%
7	BREAKFAST	CHICKSILOG	P18.38	P50.00	36.77%
8	BREAKFAST	CHAMPORADO	P7.08	P25.00	28.30%
9	BREAKFAST	SOPAS	P8.92	P25.00	35.69%
10	BREAKFAST	DAINGSILOG	P27.13	P75.00	36.18%
11	BREAKFAST	CORNSILOG	P17.98	P50.00	35.97%
12	SNACKS	PANSITBIHON	P1.01	P35.00	34.85%
13	SNACKS	SPAGHETTI	P11.97	P35.00	34.19%
14	SNACKS	CARBONARA	P9.67	P35.00	27.64%
15	SNACKS	MARUYA	P6.67	P15.00	44.47%
16	SNACKS	TURON	P7.66	P15.00	51.07%
17	SNACKS	LUMPIANGTOGUE	P5.80	P15.00	38.65%
18	SNACKS	BAKEDMAC	P10.78	P35.00	30.79%
19	SNACKS	TACOS	P12.92	P40.00	32.31%
20	SNACKS	SIOMAI	P8.35	P20.00	41.75%
21	SNACKS	MAJABLANCA	P6.70	P15.00	44.67%
22	SNACKS	PALITAW	P4.40	P15.00	29.33%
23	SNACKS	PANSITPALABOK	P14.77	P35.00	42.19%
24	SNACKS	CHEESEPIMENTO	P7.23	P20.00	36.13%
25	SNACKS	EGGSANDWICH	P8.58	P20.00	42.92%
26	SNACKS	CAMOTECHIPS	P5.69	P15.00	37.96%
27	DESSERT	BUKOPANDAN	P11.76	P18.00	31.37%
28	DESSERT	COFFEEJELLY	P5.77	P18.00	32.03%
29	DESSERT	FRUITSALAD	P6.65	P18.00	36.94%

Table 3.2. Product Costing Table 30-74.

No.	Type	Item Name (MEAL)	Single Cost / Yield	Single Order Price	Cost % Per Yield	Combo Meal Cost/Yield	Combo SRP	Combo Cost % Per Yield	Group Meal (SET 1) Cost Per Yield	SET 1 SRP	Group Meal (SET 2) Cost Per Yield	SET 2 SRP
30	LUNCH	GRILLED LIEMPO	P20.05	P60.00	50.12%	P28.38	P60.00	47.30%	P116.89	P250.00	P166.89	P300.00
31	LUNCH	BREADED CHICKEN	P12.89	P40.00	32.23%	P21.22	P60.00	35.37%	P81.12	P220.00	P131.12	P260.00
32	LUNCH	SINGANG NA RIBS	P13.86	P40.00	34.64%	P22.19	P60.00	36.98%	P85.93	P220.00	P135.93	P260.00
33	LUNCH	BONELESS BANGUS	P20.67	P60.00	34.45%	P29.00	P60.00	48.34%	P120.01	P220.00	P170.01	P260.00
34	LUNCH	CHICKEN ADOBO	P14.22	P40.00	35.56%	P22.55	P60.00	37.59%	P87.76	P220.00	P137.76	P260.00
35	LUNCH	FRIED TILAPIA	P13.56	P40.00	33.89%	P21.89	P60.00	36.48%	P84.43	P220.00	P134.43	P260.00
36	LUNCH	CHOPSUEY	P10.54	P30.00	35.12%	P18.87	P60.00	31.44%	P69.33	P220.00	P119.33	P260.00
37	LUNCH	PORK POT ROAST	P13.47	P40.00	33.66%	P21.80	P60.00	36.33%	P83.98	P220.00	P133.98	P260.00
38	LUNCH	NILAGANG RIBS	P10.83	P40.00	27.08%	P19.16	P60.00	31.94%	P70.82	P220.00	P120.82	P260.00
39	LUNCH	BREADED PORK CHOP	P20.26	P60.00	33.76%	P28.59	P60.00	47.64%	P117.93	P220.00	P167.93	P260.00
40	LUNCH	PORK STEAK	P13.95	P40.00	34.87%	P22.28	P60.00	37.13%	P86.38	P220.00	P136.38	P260.00
41	LUNCH	CHICKEN AFritada	P13.15	P40.00	32.88%	P21.48	P60.00	35.80%	P82.41	P220.00	P132.41	P260.00
42	LUNCH	CHICKEN PINEAPPLE	P14.07	P40.00	35.17%	P22.40	P60.00	37.33%	P86.98	P220.00	P136.98	P260.00
43	LUNCH	FISH FILLET	P13.47	P40.00	33.67%	P21.80	P60.00	36.33%	P84.00	P220.00	P134.00	P260.00
44	LUNCH	AMPALAYA CON CARNE	P9.55	P30.00	31.84%	P17.88	P60.00	29.80%	P64.41	P220.00	P114.41	P260.00
45	LUNCH	PORK BINAGOONGAN	P14.37	P40.00	35.92%	P22.70	P60.00	37.83%	P88.48	P220.00	P138.48	P260.00
46	LUNCH	TINOLANG MANOK	P13.67	P40.00	34.17%	P22.00	P60.00	36.66%	P84.98	P220.00	P134.98	P260.00
47	LUNCH	PORK HUMBIA	P14.11	P40.00	35.27%	P22.44	P60.00	37.40%	P87.19	P220.00	P137.19	P260.00
48	LUNCH	PORK GINILING	P13.92	P40.00	34.80%	P22.25	P60.00	37.08%	P86.25	P220.00	P136.25	P260.00
49	LUNCH	MEATBALLS	P14.35	P40.00	35.88%	P22.68	P60.00	37.80%	P88.41	P220.00	P138.41	P260.00
50	LUNCH	CHICKEN TERIYAKI	P13.73	P40.00	34.33%	P22.06	P60.00	36.77%	P85.30	P220.00	P135.30	P260.00
51	LUNCH	CHICKEN CURRY	P13.71	P40.00	34.29%	P22.04	P60.00	36.74%	P85.22	P220.00	P135.22	P260.00
52	LUNCH	CABBAGE GUISADO	P11.00	P30.00	36.67%	P19.33	P60.00	32.22%	P71.65	P220.00	P121.65	P260.00
53	LUNCH	FRIED DALAGANG BUKID	P12.70	P40.00	31.76%	P21.03	P60.00	35.06%	P80.17	P220.00	P130.17	P260.00
54	LUNCH	SINGANG NA BANGUS	P15.88	P40.00	39.69%	P24.21	P60.00	40.34%	P96.03	P220.00	P146.03	P260.00
55	LUNCH	CHICKEN PASTEL	P11.99	P40.00	29.99%	P20.32	P60.00	33.87%	P76.62	P220.00	P126.62	P260.00
56	LUNCH	CHICKEN FILLET	P13.88	P40.00	34.70%	P22.21	P60.00	37.02%	P86.05	P220.00	P136.05	P260.00
57	LUNCH	BICOL EXPRESS	P14.03	P40.00	35.07%	P22.36	P60.00	37.26%	P86.79	P220.00	P136.79	P260.00
58	LUNCH	PORK MENUDO	P14.29	P40.00	35.73%	P22.62	P60.00	37.70%	P88.11	P220.00	P138.11	P260.00
59	LUNCH	ADOBONG KANGKONG	P10.96	P30.00	36.55%	P19.29	P60.00	32.16%	P71.47	P220.00	P121.47	P260.00
60	LUNCH	LUMPIANG SHANGHAI	P14.27	P40.00	35.67%	P22.60	P60.00	37.66%	P87.99	P220.00	P137.99	P260.00
61	LUNCH	MISUAPATOLA	P10.02	P30.00	33.41%	P18.35	P60.00	30.59%	P66.77	P220.00	P116.77	P260.00
62	LUNCH	SARCIADONG TILAPIA	P14.02	P40.00	35.04%	P22.35	P60.00	37.24%	P86.73	P220.00	P136.73	P260.00
63	LUNCH	PAKSIW NA BANGUS	P10.02	P40.00	25.04%	P18.35	P60.00	30.58%	P66.73	P220.00	P116.73	P260.00
64	LUNCH	CHICKEN CALDERETA	P13.86	P40.00	34.64%	P22.19	P60.00	36.98%	P85.93	P220.00	P135.93	P260.00
65	LUNCH	CHICKEN BBQ	P12.95	P40.00	32.37%	P21.28	P60.00	35.47%	P81.40	P220.00	P131.40	P260.00
66	LUNCH	PORK WITH OYSTER SAUCE	P14.08	P40.00	35.20%	P22.41	P60.00	37.35%	P87.06	P220.00	P137.06	P260.00
67	LUNCH	PORK KASADO	P14.17	P40.00	35.42%	P22.50	P60.00	37.49%	P87.48	P220.00	P137.48	P260.00
68	LUNCH	FRIED DALAGANG BUKID	P12.70	P40.00	31.76%	P21.03	P60.00	35.06%	P80.17	P220.00	P130.17	P260.00
69	LUNCH	ESCARBACHENG TILAPIA	P13.70	P40.00	34.25%	P22.03	P60.00	36.72%	P85.15	P220.00	P135.15	P260.00
70	LUNCH	PINAKBET	P11.00	P30.00	36.67%	P19.33	P60.00	32.22%	P71.65	P220.00	P121.65	P260.00
71	LUNCH	SINGANG NA HIPON	P21.26	P60.00	35.44%	P29.59	P65.00	45.53%	P122.97	P220.00	P172.97	P260.00
72	LUNCH	CHICKEN TERIYAKI	P13.73	P40.00	34.33%	P22.06	P60.00	36.77%	P85.30	P220.00	P135.30	P260.00
73	LUNCH	PORK GINILING	P13.92	P40.00	34.80%	P22.25	P60.00	37.08%	P86.25	P220.00	P136.25	P260.00
74	LUNCH	TOCHONG BANGUS	P14.81	P40.00	37.02%	P23.14	P60.00	38.56%	P90.69	P220.00	P140.69	P260.00

### 3.4.5.7. 5-Year Strategic Plan

The 5 Year Strategic Plan of Calle Cuisine was conceptualized to easily monitor the flow of its operations every year. On the first year of operation, Calle Cuisine will launch the digital menu, free WIFI to loyal customers, monthly sales boosters, and investment for new payment methods. For the next year of operations, we will launch additional menu, and provide service quality check and gather customer feedbacks. On the third and fourth year of operations, Calle Cuisine will undergo again another service quality monitoring and monthly sales booster,

employees are entitled to attend service recovery workshops and trainings. Calle Cuisine will also launch additional services such as food caterings and food delivery. On the fifth year of operations, Calle Cuisine envisioned to expand the business outside PSBA-Manila to increase the number of their customers as well as the return of investments of the stakeholders.

*Table 3.3. Calle Cuisine 5-Year Strategic Plan.*

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
1 <sup>ST</sup> YEAR	Launching of Digital Menu using LED TV			
	Free Wifi for loyal customers	Free Wifi for loyal customers	Free Wifi for loyal customers	Free Wifi for loyal customers
	Monthly sales boosters by offering of Frequency Card to increase our loyal customers	Monthly sales boosters by offering of frequency card to increase our loyal customers	Monthly sales boosters by offering of frequency card to increase our loyal customers	Monthly sales boosters by offering of frequency card to increase our loyal customers
	Invest in new technology such cashless payment transaction using Paymaya/Gcash			
2 <sup>ND</sup> YEAR		Launching of Additional Menu such as Milk Tea and Lemonade		
			Service Quality Check and Gather Customer Feedbacks	
3 <sup>RD</sup> YEAR	Monthly sales boosters by offering of Frequency Card to increase our loyal customers	Monthly sales boosters by offering of Frequency Card to increase our loyal customers	Monthly sales boosters by offering of Frequency Card to increase our loyal customers	Monthly sales boosters by offering of Frequency Card to increase our loyal customers
			Employees to attend trainings and service workshops	
4 <sup>TH</sup> YEAR			Service Quality Check and Gather Customer Feedbacks	
	Provide Additional services such as Food Caterings for school events and Food delivery within the nearby places.			
5 <sup>TH</sup> YEAR			Branch Expansion outside PSBA-Manila	

### 3.4.6. Market Feasibility

#### 3.4.6.1. Market Segmentation

- Male and Female
- Ages 16 – 50 years old and above
- Located inside Philippines School of Business Administration – Manila
- Students and employees who are health conscious

- Students and employees who prefers affordable single, combo and group

### 3.4.6.2. Competitors

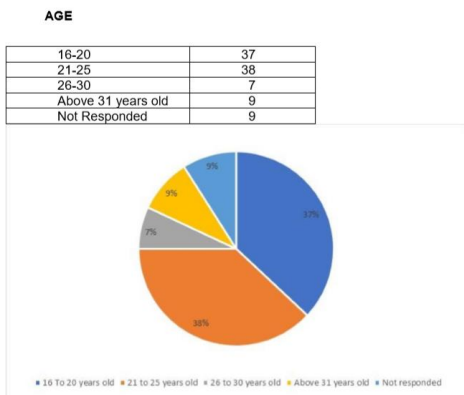
The following are competitors of Calle Cuisine which offer same products and services:

*Table 3.4. Calle Cuisine Competitors.*

1. Kubiertos	6.Hapi Tian
2.Rosemar Cage Restaturant	7.Sam and Mas Fastfood- Carinderia
3. Xyles Eatery	8.Hepa Lane
4.Raloy Lutongbahay	9. 7-Eleven
5. Kayah Moh Toh!	10. Ministop

### 3.4.6.3. Market Analysis

Calle Cuisine used random sampling pervasive approach as a statistical tool for the marketing survey.

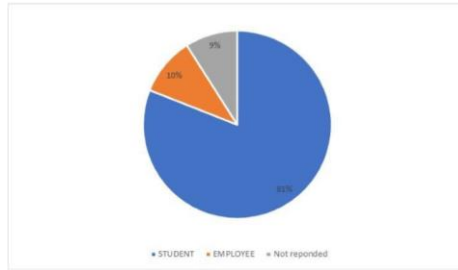


*Figure 3.3. Age.*

Based on our random sampling in Philippine School of Administration Manila, 91 responded out of 100 survey questionnaires. 38% are between 21 to 25 years old, 37% are between 16 to 20 years old, 7% are between 26 to 30 years old, 9% are above 31 years old and 9% did not responded. Majority of respondents are millennials.

**Are you an employee or student of PSBA?**

Student	81
Employee	10
Not Responded	9

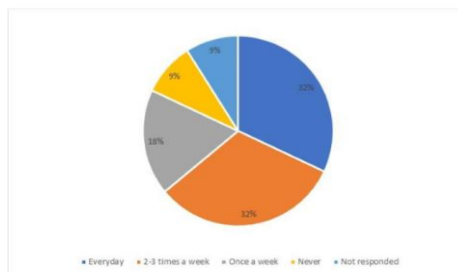


*Figure 3.4. Are you an employee or student of PSBA?*

Out of 100 surveys, 81% are students, 10% are employees and 9% did not responded. Majority of Calle Cuisine's customers will be students enrolled in Philippine School of Business Administration.

**How often do you eat in the Canteen?**

Everyday	32
Once a week	18
2-3 times a week	32
Never	9
Did not responded	9



*Figure 3.5. How often do you eat in the Canteen?*

32% are repeat customers because they eat every day, two to three times a week inside the School. On the other hand, 18% only eat once and 9% will not likely eat inside the school.

How much are you willing to spend for single meal?

P40.00 to P50.00	59
P60.00 to P80.00	22
P85.00 to P100.00	5
Others	5
Not Responded	9

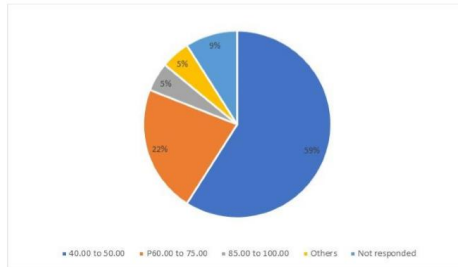


Figure 3.6. How much are you willing to spend for single meal?

59% suggested for Php40.00 to Php50.00 for a single meal while 22% for Php 60.00 to P80.00 and 5% are Php85.00-Php100.00 and others.

How much are you willing to spend for combo meals?

P45.00 to P60.00	43
P65.00 to P80.00	28
P85.00 to P100.00	17
Others	3
Not Responded	9

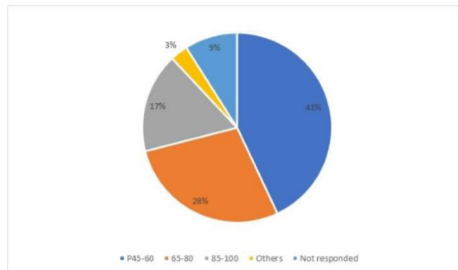


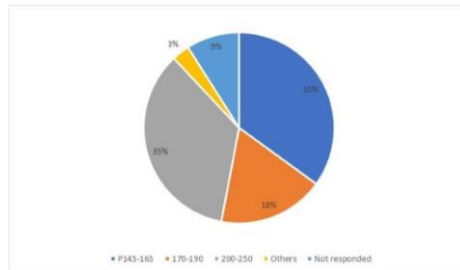
Figure 3.7. How much are you willing to spend for combo meals?

43% responded that Php 45.00 to Php 60.00 is the amount they willing to spend for a combo meal while 28% is between Php 65.00 to Php 80.00, 27% for Php 85.00 to Php100.00 and 3% for others.



**How much are you willing to spend for group meals?**

P145.00 to P165.00	35
P170.00 to 190.00	18
P200.00 to P250.00	35
Others	3
Not Responded	9

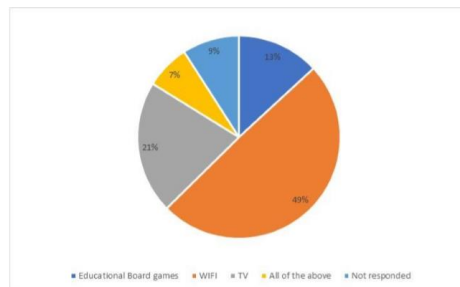


*Figure 3.8. How much are you willing to spend for group meals?*

35% responded that they are willing to spend between Php145 to Php165.00 and also between Php200.00 to Php190.00, while 18% suggested between P170.00 to Php190.00 and 3% for others.

**Amenities you prefer?**

Educational board games	13%
Wifi	49%
TV	21%
All of the above	7%
Not Responded	9%



*Figure 3.9. Amenities you prefer?*

Majority of respondents suggested that they preferred WIFI as one of the amenities of Calle Cuisine, 21% for TV, 13% for Educational board games and 7% for all of the above.

### 3.4.6.4. 5-Year Market Share Projection

Table 3.5. 5-Year Market Share Projection.

	2019	2020	2021	2022	2023
Average increase (decrease) in Customers (5%)	66	125	183	246	309
PSBA Manila Population	1171	1284	1467	1713	2022
Total Population	1237	1409	1650	1959	2331
Total Market (82%)	1014	1155	1353	1607	1912
Total Supply (18%)	223	254	297	353	420
Demand Gap	792	901	1056	1254	1492
Market Share (5%)	396	451	528	627	746

This table shows the market share projection of Calle Cuisine from 2019 to 2023. The average increase (decrease) of PSBA – Manila Population is 5%. According to PSBA-Registrar Office, there was an actual increase of 66 from 2017-2018. Based on our survey, 82% is the percentage of market who will often buy food inside the School Canteen and 18% is the percentage of total supply which means they will not buy food and they prefer to eat outside PSBA-Manila.

### 3.4.6.5. Marketing Strategies

#### 3.4.6.5.1. Product

Calle Cuisine provides products that are healthy for the body and mind. Ensuring that the materials and ingredients that we use in preparing our products are safe and healthy. We will not use monosodium glutamate or preservatives; we will increase the nutritional value of the food that we offer. The meals we offer has a complete package of nutrients, rich in vitamins and protein needed for the mind and body. We will not offer soda and other unhealthy beverages which will be harmful for the students and employees. Our breakfast and lunch meals will be served with fruits or yogurts, which is optional depending on the wants of our customers. We will also offer fresh lemonade on the second year

which is beneficial to our body because lemons are also a good source of Vitamin C and help prevent kidney stones.

#### **3.4.6.5.2. Price**

The prices of the menu are based on the result of marketing survey with 70% mark up from the food cost. The prices of the food are affordable which is perfect for the students since they are our major customers. Our product menu ranges from P50.00 to P260.00 depending on the type of food they ordered.

#### **3.4.6.5.3. Promotion**

To increase the sales of Calle Cuisine, Marketing will launch a monthly sales booster.

- 1 sticker for every 1 transaction with a minimum purchase of P100.00
- Redeem 10 stickers equivalent to 1 free combo meal/fruit shake
- Redeem 30 stickers equivalent to 1 tumbler
- Redeem 50 stickers equivalent to 1 USB drive 32gb

Calle Cuisine promotes friendly environment in accommodating its customers. By Increasing customer engagement and providing the best service. Calle Cuisine is not only a typical food service industry but also, we want to see our loyal customer to be delighted because of the benefits that they get every time they purchase a meal, we want to see a smile as a form of satisfaction from our customers.

#### **3.4.6.5.4. People**

- Employees who provide exceptional services will be recognized based on their quarterly performance.
- The management will provide the following incentives to motivate their employees:

*Table 3.6. Employee Incentives.*

Annual Perfect Attendance	P 1,500.00
Employee of the Year	P 1,500.00

### 3.4.6.6. SWOT Analysis

#### Strengths

- Convenient place and nice ambiance to work and study
- Serve affordable meals
- Promotes healthy diets and positive eating behavior
- Focus on Product and Service Quality

#### Weaknesses

- Manpower
- Limited resources on equipment and technology
- Limited Capital

#### Opportunities

- Expansion of services such as catering and food delivery
- Increasing number of enrollees
- Increasing number of health-conscious students and employees

#### Threats

- Ability of competitors to lower rates
- Changes in government policies and regulations
- Substitute foods are available outside the school

### 3.4.7. Financial Feasibility

*Table 3.7. Maximum number of transactions per day based on a 3-day meal plan.*

Seat Capacity	64
Maximum number of turnovers / day	192

*Table 3.8. Sales Forecast.*

## 2019

Average Price per Category (Moving Average)			Number of transactions per day	Sales per day	Sales per year
Type	Price	Pax (82% based on survey)			
Breakfast	50.00	1,014	64	50,717.00	608,604.00
Lunch	140.00	1,014	64	142,007.60	1,704,091.20
Snack	50.00	1,014	64	50,717.00	608,604.00
Grand Total			192		2,921,299.20
Total Population		1,237			

## 2020

Average Price per Category (Moving Average)			Number of transactions per day	Sales per day	Sales per year
Type	Price	Pax (82% based on survey)			
Breakfast	50.00	1,155	64	57,750.55	693,006.60
Lunch	140.00	1,155	64	161,701.54	1,940,418.48
Snack	50.00	1,155	64	57,750.55	693,006.60
Grand Total			192		3,326,431.68
Total Population		1,409			

## 2021

Average Price per Category (Moving Average)			Number of transactions per day	Sales per day	Sales per year
Type	Price	Pax (82% based on survey)			
Breakfast	50.00	1,363	64	68,142.00	817,704.00
Lunch	140.00	1,363	64	190,797.60	2,289,571.20
Snack	50.00	1,363	64	68,142.00	817,704.00
Grand Total			192		3,924,979.20
Total Population		1,662			

## 2022

Average Price per Category (Moving Average)			Number of transactions per day	Sales per day	Sales per year
Type	Price	Pax (82% based on survey)			
Breakfast	50.00	1,638	64	81,918.00	983,016.00
Lunch	140.00	1,638	64	229,370.40	2,752,444.80
Snack	50.00	1,638	64	81,918.00	983,016.00
Grand Total			192		4,718,476.80
Total Population		1,998			

## 2023

Average Price per Category (Moving Average)			Number of transactions per day	Sales per day	Sales per year
Type	Price	Pax (82% based on survey)			
Breakfast	50.00	1,995	64	99,753.00	1,197,036.00
Lunch	140.00	1,995	64	279,308.40	3,351,700.80
Snack	50.00	1,995	64	99,753.00	1,197,036.00
Grand Total			192		5,745,772.80
Total Population		2,433			

There is no single way in forecasting sales of a business. It is often very creative. In our case, analyzing our capacity to accommodate customers while studying market behavior through past experiences of existing restaurant became our tool to forecast sales. As shown in Table 3.7, from our proposed restaurant location with sixty-four (64) seater capacity, we come up with a

maximum of one hundred ninety-two (192) turn-over per day. To compute sales forecast, we first determine average price per category of food products serve in breakfast, lunch, and snacks. We use the averaging number of turn-around per day, then computed transaction count per turnover by dividing thirty (64) seat capacity to pax per category. **Sales per day are computed by; Price per category X Transaction count per turnover X No of turnover per day.**

*Table 3.9. 5 Year Projected Income Statements for the Year Ending December 31.*

	2019	%	2020	%	2021	%	2022	%	2023	%
Sales	2,921,299.20	100.00%	3,326,431.68	100.00%	3,924,979.20	80.00%	4,718,476.80	72.42%	5,745,772.80	70.96%
Other Revenue - Beverages (Milk Teas, Lemonade and juices)	-	0.00%	623,705.94	18.75%	981,360.00	20.00%	1,297,296.00	19.91%	1,723,680.00	21.29%
Other Revenue (Catering Services) will start 4th year	-	0.00%	-	0.00%	-	0.00%	500,000.00	7.67%	625,000.00	7.72%
<b>Net Sales</b>	<b>2,921,299.20</b>	<b>100.00%</b>	<b>3,950,137.62</b>	<b>118.75%</b>	<b>4,906,339.20</b>	<b>100.00%</b>	<b>6,515,772.80</b>	<b>100.00%</b>	<b>8,094,452.80</b>	<b>100.00%</b>
<b>Less: Cost of sales</b>										
Kitchen Ingredients	876,389.76	30.00%	1,185,041.29	35.63%	1,471,901.76	30.00%	1,954,731.84	30.00%	2,428,335.84	30.00%
<b>Total Cost of Sales</b>	<b>876,389.76</b>	<b>30.00%</b>	<b>1,185,041.29</b>	<b>35.63%</b>	<b>1,471,901.76</b>	<b>30.00%</b>	<b>1,954,731.84</b>	<b>30.00%</b>	<b>2,428,335.84</b>	<b>30.00%</b>
<b>Gross Profit</b>	<b>2,044,909.44</b>	<b>70.00%</b>	<b>2,765,096.33</b>	<b>83.13%</b>	<b>3,434,437.44</b>	<b>70.00%</b>	<b>4,561,040.96</b>	<b>70.00%</b>	<b>5,666,116.96</b>	<b>70.00%</b>
<b>Less: Operating Expenses</b>										
Kitchen and restaurant Supplies Expense	168,543.00	6.77%	202,251.60	8.86%	242,701.92	11.70%	291,242.30	14.48%	349,490.76	15.77%
Wages and Salary (direct)	638,976.00	25.68%	638,976.00	27.98%	638,976.00	30.81%	798,720.00	39.70%	798,720.00	36.05%
13th month pay (direct)	53,248.00	2.14%	53,248.00	2.33%	53,248.00	2.57%	66,560.00	3.31%	66,560.00	3.00%
Depreciation Expense	74,232.75	2.98%	70,013.25	3.07%	64,013.50	3.09%	9,000.00	0.45%	9,000.00	0.41%
Utilities Expense (Light, water, electricity)	120,000.00	4.82%	144,000.00	6.31%	172,800.00	8.33%	207,360.00	10.31%	248,832.00	11.23%
Rental Expense	300,000.00	12.06%	360,000.00	15.77%	432,000.00	20.83%	518,400.00	25.77%	622,080.00	28.08%
SSS Contribution Expense (direct)	46,449.60	1.87%	46,449.60	2.03%	46,449.60	2.24%	58,062.00	2.89%	58,062.00	2.62%
Philhealth Contribution Expense (direct)	6,600.48	0.27%	6,600.48	0.29%	6,600.48	0.32%	8,250.60	0.41%	8,250.60	0.37%
Pagibig Contribution Expense (direct)	4,800.00	0.19%	4,800.00	0.21%	4,800.00	0.23%	6,000.00	0.30%	6,000.00	0.27%
Charges, Notarial Fee	2,000.00	0.08%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Communication Expense (Internet Charges)	18,000.00	0.72%	18,000.00	0.79%	18,000.00	0.87%	18,000.00	0.89%	18,000.00	0.81%
Office supplies Expense	3,094.00	0.12%	3,712.80	0.16%	4,455.36	0.21%	5,346.43	0.27%	6,415.72	0.29%
Representation Expense	6,000.00	0.24%	6,000.00	0.26%	6,000.00	0.29%	6,000.00	0.30%	6,000.00	0.27%
Travelling and Training Expenses	-	0.00%	-	0.00%	50,000.00	2.41%	-	0.00%	-	0.00%
Product Research and Development	12,000.00	0.48%	10,800.00	0.47%	9,720.00	0.47%	8,748.00	0.43%	7,873.20	0.36%
Advertising Expense (Giveaways ad freebies)	24,000.00	0.96%	-	0.00%	24,000.00	1.16%	-	0.00%	-	0.00%
Interest Expense (Bank Loans)	999,793.24	40.19%	708,465.29	31.03%	289,741.47	13.97%	-	0.00%	-	0.00%
SEC Registration	2,000.00	0.08%	2,000.00	0.09%	2,000.00	0.10%	2,000.00	0.10%	2,000.00	0.09%
BIR related Expenses	500.00	0.02%	500.00	0.02%	500.00	0.02%	500.00	0.02%	500.00	0.02%
Municipality Related Expenses	7,700.00	0.31%	7,700.00	0.34%	7,700.00	0.37%	7,700.00	0.38%	7,700.00	0.35%
<b>Total Operating Expenses</b>	<b>2,487,937.07</b>	<b>85.17%</b>	<b>2,283,517.02</b>	<b>78.17%</b>	<b>2,073,706.33</b>	<b>42.27%</b>	<b>2,011,889.34</b>	<b>30.88%</b>	<b>2,215,484.28</b>	<b>27.37%</b>
<b>Net Operating Income</b>	<b>(443,027.63)</b>	<b>-15.17%</b>	<b>481,579.31</b>	<b>12.19%</b>	<b>1,360,731.11</b>	<b>27.73%</b>	<b>2,549,151.62</b>	<b>39.12%</b>	<b>3,450,632.68</b>	<b>42.63%</b>

Table 3.10. 5-Year Projected Balance Sheet for the Year Ending December 31.

	2019	2020	2021	2022	2023
<b>ASSETS:</b>					
<b>CURRENT ASSETS</b>					
CASH and CASH EQUIVALENTS	672,838.94	964,871.38	2,162,025.19	2,817,000.87	5,889,058.29
KITCHEN MERCHANDISE INVENTORY	876,389.76	1,185,041.29	1,471,901.76	1,954,731.84	2,428,335.84
OFFICE SUPPLIES	168,543.00	202,251.60	242,701.92	291,242.30	349,490.76
<b>TOTAL CURRENT ASSETS</b>	<b>1,717,771.70</b>	<b>2,352,164.27</b>	<b>3,876,628.87</b>	<b>5,062,975.01</b>	<b>8,666,884.89</b>
<b>NON-CURRENT ASSETS</b>					
KITCHEN EQUIPMENT - (Please see lapsing schedule)	62,636.50	62,636.50	62,636.50	-	-
ACCUMULATED DEPRECIATION - KITCHEN EQUIPMENT	25,691.75	47,164.00	62,636.50	-	-
OFFICE EQUIPMENT - (Please see lapsing schedule)	71,932.00	71,932.00	71,932.00	-	-
ACCUMULATED DEPRECIATION - OFFICE EQUIPMENT	23,977.33	47,954.67	71,932.00	-	-
TRANSPORTATION EQUIPMENT - (Please see lapsing)	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00
ACCUMULATED DEPRECIATION - TRANSPOR EQUIPMENT	9,000.00	18,000.00	27,000.00	36,000.00	45,000.00
FURNITURES AND FIXTURES - (please see lapsing schedule)	46,691.00	46,691.00	46,691.00	-	-
ACCUMULATED DEPRECIATION - F & F	15,563.67	31,127.33	46,691.00	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>152,026.75</b>	<b>82,013.50</b>	<b>18,000.00</b>	<b>9,000.00</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>1,869,798.45</b>	<b>2,434,177.77</b>	<b>3,894,628.87</b>	<b>5,071,975.01</b>	<b>8,666,884.89</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>CURRENT LIABILITIES</b>					
ACCOUNTS PAYABLE	450,000.00	532,800.00	632,520.00	752,508.00	896,785.20
SALARIES PAYABLE	638,976.00	638,976.00	638,976.00	798,720.00	798,720.00
SSS, PHIC, and HDMF PAYABLE	57,850.08	57,850.08	57,850.08	72,312.60	72,312.60
LOANS PAYABLE	1,666,000.00	1,666,000.00	1,666,000.00	-	-
<b>TOTAL LIABILITIES</b>	<b>2,812,826.08</b>	<b>2,895,626.08</b>	<b>2,995,346.08</b>	<b>1,623,540.60</b>	<b>1,767,817.80</b>
<b>PARTNERS CAPITAL</b>					
Capital Beginning	(500,000.00)	(943,027.63)	(461,448.32)	899,282.79	3,448,434.42
Net Income (Loss)	(443,027.63)	481,579.31	1,360,731.11	2,549,151.62	3,450,632.68
Less: Withdrawal/dividends	-	-	-	-	-
Capital Ending	(943,027.63)	(461,448.32)	899,282.79	3,448,434.42	6,899,067.09
<b>TOTAL CAPITAL</b>	<b>(943,027.63)</b>	<b>(461,448.32)</b>	<b>899,282.79</b>	<b>3,448,434.42</b>	<b>6,899,067.09</b>
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>1,869,798.45</b>	<b>2,434,177.76</b>	<b>3,894,628.87</b>	<b>5,071,975.02</b>	<b>8,666,884.89</b>

Table 3.11. 5-Year Projected Cash Flow Statement for the Year Ending December 31.

	2019	2020	2021	2022	2023
<b>Cash flows from operating activities</b>					
Profit before taxation	(443,027.63)	481,579.31	1,360,731.11	2,549,151.62	3,450,632.68
Adjustment for:					
Depreciation	74,232.75	70,013.25	64,013.50	9,000.00	9,000.00
Inc/Dec in Inventory	-	(308,651.53)	(286,860.47)	(482,830.08)	(473,604.00)
Inc/Dec in Salaries payable	-	-	-	159,744.00	-
Inc/Dec in Accounts payable	-	82,800.00	99,720.00	119,988.00	144,277.20
Cash generated from operations	(368,794.88)	325,741.04	1,237,604.14	2,355,053.54	3,130,305.88
Interest paid	999,793.24	708,465.29	289,741.47	-	-
<b>Net cash flow from operating activities</b>	<b>630,998.36</b>	<b>1,034,206.33</b>	<b>1,527,345.61</b>	<b>2,355,053.54</b>	<b>3,130,305.88</b>
<b>Cash flows from investing activities</b>					
Cash from Short Term Loan	3,000,000.00	-	-	-	-
Loan Payment	(1,666,000.00)	(1,666,000.00)	(1,666,000.00)	-	-
Purchase of transportation equipment	(45,000.00)	-	-	-	-
Purchase of furniture and fixtures	(46,691.00)	-	-	-	-
Purchase of kitchen equipment	(62,636.50)	-	-	-	-
Purchase of office equipment	(71,932.00)	-	-	-	-
<b>Net cash flow from investing activities</b>	<b>1,107,740.50</b>	<b>(1,666,000.00)</b>	<b>(1,666,000.00)</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>					
Cash investment from partners	500,000.00	-	-	-	-
Withdrawals	-	-	-	-	-
<b>Net cash flow from financing activities</b>	<b>500,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash Inflow (Outflow)</b>	<b>2,238,738.86</b>	<b>(631,793.67)</b>	<b>(138,654.39)</b>	<b>2,355,053.54</b>	<b>3,130,305.88</b>
Cash Beginning	-	2,238,738.86	1,606,945.19	1,468,290.79	3,823,344.34
Cash Ending	2,238,738.86	1,606,945.19	1,468,290.79	3,823,344.34	6,953,650.21

Table 3.12. Financial Ratios.

		2019	%	2020	%	2021	%	2022	%	2023	%
<b>Liquidity Ratio</b>											
Networking Capital to Sales Ratio	Current Assets - Current Liabilities										
	Liabilities	(1,095,054.38)	-37%	(543,461.81)	-14%	881,282.79	18%	3,439,434.41	53%	6,899,067.09	85%
	Sales	2,921,299.20		3,950,137.62		4,906,339.20		6,515,772.80		8,094,452.80	
<b>Profitability</b>											
Gross Profit Margin	Gross Income	1,394,111.48		1,720,911.08		3,515,021.00		5,181,662.50		7,546,858.31	
	Sales	3,601,140.00	39%	4,186,008.00	41%	5,475,600.00	64%	7,241,400.00	72%	9,675,288.00	78%
Operating Profit Margin	Operating Income	(443,027.63)	-15%	481,579.31	12%	1,360,731.11	28%	2,549,151.62	39%	3,450,632.68	43%
	Sales	2,921,299.20		3,950,137.62		4,906,339.20		6,515,772.80		8,094,452.80	
Net Profit Margin	Net Income (After Tax)	(346,799.20)	-10%	211,992.96	5%	1,360,731.11	28%	2,549,151.62	39%	3,450,632.68	43%
	Sales	3,601,140.00		4,186,008.00		4,906,339.20		6,515,772.80		8,094,452.80	
<b>Return Ratio</b>											
Return on Assets	Net Income	(346,799.20)	-19%	211,992.96	9%	1,360,731.11	35%	2,549,151.62	50%	3,450,632.68	40%
	Total Assets	1,869,798.45		2,434,177.77		3,894,628.87		5,071,975.01		8,666,884.89	

Table 3.13. Breakdown of Start-up Costs.

**Projected Cost of Sales for 2019**

Kitchen Ingredients (estimated cost of 30% of sales)	876,389.76
Utilities (Electricity, water)	120,000.00
Rent (direct)	300,000.00
Wages and Salary (direct)	638,976.00
Supplies	168,543.00
<b>Total Direct Costs</b>	<b>2,103,908.76</b>

**Initial Capitalization Requirements based on the Total Direct Costs - Please see notes**

Add:

Improvement / Acquisition of Equipment	45,000.00		
Restaurant Improvement	1,001,288.74		
Kitchen Equipment	62,636.50		
Office Equipment	71,932.00		
Furniture and Fixtures	46,691.00		
Restaurant Supplies	168,543.00		
<b>Total Breakdown of Start-up costs</b>	<b>3,500,000.00</b>	<b>3,500,000.00</b>	<b>-</b>



*Table 3.14. Summary-Lapsing*

2019 SUMMARY	Furniture and Fixture	Hotel Equipment	Office Equipment	Transportation Equipment	Total
Total Cost	46,691	62,637	71,932	45,000	226,260
Accumulated Depreciation	15,564	25,692	23,977	18,000	83,233
Net Book Value	31,127	36,945	47,955	27,000	143,027

### **3.4.8. Corporate Social Responsibility**

A healthy mind can only reside in a healthy body. Offering the best, healthy and affordable foods will be the standard social responsibility of Calle Cuisine.

Calle Cuisine is committed to the 3R's of waste management and sustainability – Reduce, Re-use, and Recycle. Reducing the use of equipment that consumes high level of energy is one of the main idea that management team would like to implement. Also, by changing from plastic cutleries to glass wares, it will add value in moving into more ecologically and environmentally friendly approach to minimizing wastes.

Of course the segregation of waste is on top of everything. There will be three (3) color coded trash bins that will be placed on the right side corner of the Calle Cuisine area. Black for the non-biodegradable, non-infectious garbage such as plastic cans, Styrofoam, candy wrappers, etc. Green for biodegradable materials like left-over foods, vegetable and fruit peelings, leaves, twigs, etc. And Yellow for recyclable materials like plastic tupper wares, empty bottles, aluminum, etc.

Reducing food waste is one of the biggest challenges for food service industries. By purchasing the right quantity of ingredients for food processing, we will reduce the problem of having excess and rotten inventories. The left-over foods will also be sold to buyers who will need it for their live stocks. This initiative will reduce the need to send waste to a landfill site whilst also generating additional revenue.

Calle Cuisine, in partnership with the student body of organizations, will also increase environmental awareness of its customers by posting newsletters related to recent environmental issues and developments and also by sharing “Green Living Tips” to save our natural resources. This information will be posted beside the weekly menu bulletin located at the canteen.

The management team will also encourage all students to save the empty plastic bottles of water. There will be mechanics to be done in order to boost this initiative. For example, the customer will need to submit 5 empty bottles for him to be entitled to a Two Pesos discount for the food he will purchase at Calle Cuisine. These plastic bottles will later on be sold as well and proceeds will be used for other CSR initiatives of the management.

Calle Cuisine upholds the worth and sacrifices of every student who are really doing their best in studying. This is the reason we have also the responsibility to make them healthy. For all academic scholars and dean’s listers, Calle Cuisine offers a free meal once a month. They will be given food voucher for the redemption of their reward. In this way, we also encourage students to do their part to make the school a better one. We are not only committed for a healthy environment but a healthier people working in a healthy environment.

## **ARTICLE 4**

### **Business Plan 2**

#### **Executive Summary**

<b>Title:</b>	<b>PSBA Referral System</b>
<b>Proponents:</b>	Hanh Tiffany Nguyen; Hong Hanna Nguyen; Gilbert Pineda; Antonette Ramos; and Michelle Saldua
<b>Subject:</b>	Project Research and Development
<b>School Year:</b>	AY 2018-2019
<b>Adviser:</b>	Paulo Noel Mazo

#### **4.1. Objective of the Project**

**PSBA Referral System (PARS)** is the student referral program of higher education marketing, recruitment, and student enrolment handled by the PARS Student and Alumni Affairs Organization. A student referral system facilitates gathering and analyzing information systematically to develop the innovations that provide the best marketing enrolment solution for Philippine School of Business Administration under PARS Program. This would be the reliable support program to PSBA for student recruitment and marketing needs. PARS Student and Alumni Affairs Organization will be based on the current school board policies and consults and collaborates with teachers, administrators, and other school staff to promote this program to students.

One of the responsibilities of PARS Team is to look, reach and seek a potential school partners and institutions in Metro Manila or outside Metro Manila. PARS Team will give free educational and informative seminars for graduating students as a primary target of this related program. The content of the seminars is to discuss that the PSBA as an institution of higher learning, assumes the responsibility to educate the Youth to become a good

citizen. PSBA commits to provide the students with education which will develop in them analytical thinking, self-expression, moral and social responsibility, and the skill in discovering the truth. PSBA aims to give students the knowledge for effective action; to develop in them the capacity to solve problems and reach decisions in sound and well-organized manner; and assume responsibility for their decisions. PSBA commits to equip the students with the basic essential knowledge for the specific careers for which they preparing themselves. These aims and purposes are PSBA’s response to the need of our country to prepare the Youth for their vital roles in our society.

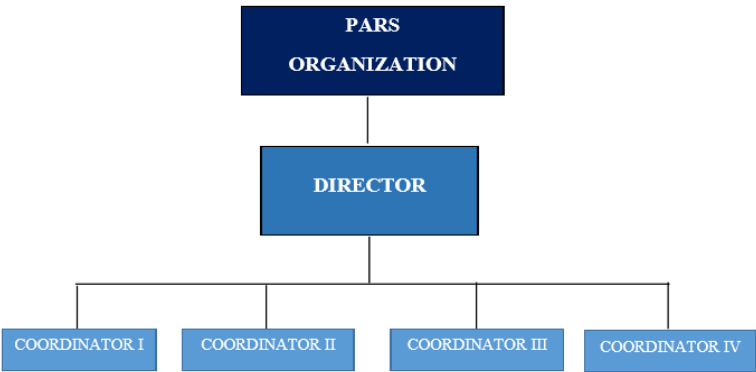
The PARS Program will initially start to PSBA Manila and Quezon City and will slowly expand in other Cities in Luzon, Visayas and Mindanao in the future as also the one of the purpose why this program created.

**4.2. Location of the Project**

The following resources are available via PARS E-Guide at <http://psba.edu/pars>.

**4.3. Legal Structure**

Our Students and Alumni Affairs Organization is made up of professionals dedicated to support the academic and personal development of students, including up to improve the marketing aspect of PSBA.



*Figure 4.1. PARS Organizational Chart*

## 4.4. Brief Description of the Project

### 4.4.1. History and Position to Date

A privately-owned institution of higher learning, PSBA conducts instructional programs exclusively in business education. It is a member of the Philippine Association of Colleges and Universities and the Philippine Association of Collegiate Schools of Business.

Founded in October 1963, by men of vision whose lives have been dedicated to university administration and teaching, and in varied executive capacities in business and industry and in the professions, it did not come as a surprise that they have chosen to dedicate the school exclusively to the development of aspiring young men and women who could meet the manpower requirements of our economy as a developing nation. Originally launched as a review and training center for Certified Public Accountants under the name of “**PHILIPPINE ACCOUNTING AND TAXATION TRAINING SERVICES, Inc.**” (PATTS), it became, in no time, one of the biggest CPA review schools in the country. From the beginning of its operation; the products of the review program have been leading the lists of successful candidates in every CPA examination.

Changing its corporate name to Philippine School of Business Administration (PSBA) in 1966, it started to offer baccalaureate programs in business administration. Today, it is considered as one of leading schools of business in the country.

In June 1981, PSBA opened a sister school in Quezon City under the name of Philippine School of Business Administration-Quezon City which, like PSBA-Manila, has placed emphasis on quality of academic programs and scholarship. Located on a sprawling campus, this new school has, in the short period of its life, already gained acceptance of students and its enrollment has kept on growing.

To help meet management requirements of the country for more advanced and sophisticated industrial and commercial life as well as for further governmental responsibilities, PSBA started

to offer the MBA program in June, 1979. Effective SY 1993-1994, DECS authorized the Doctor of Business Administration (DBA) course which emphasizes creative scholarship and develops professional competence through a comprehensive understanding of management functions and strategy and for coping with future changes in the environment. These graduate programs are mainly conducted on campus; however, occasional off-campus classes are arranged on representations of business corporations and government agencies which prefer classes to be conducted for their executive and officers in their work places because of time constraint. Actual off-campus classes are now in operation at the Philippine National Bank, Philippine Tourism Authority, and Congress of the Philippines (for administrative employees) and the provincial government of Rizal. Negotiations are in process with other government agencies and private establishments for similar classes.

Cooperative linkages have also been with educational institutions in Asia countries where PSBA provides technical assistance in designing academic programs in business education and in providing administrative advisory services and qualified Filipino professors and instructors. Under these arrangements, we have existing tie-ups with institutions of higher learning in Indonesia and Pakistan. We, students of Philippines School of Business Administration taking up Project Research and Development have chosen this project "Student Referral System" as a requirement for the course. This project will help the school to gather and recruit more students to study in PSBA.

#### **4.4.2. Mission**

Our mission is to have more students study at PSBA and bring up the potential growth of the school.

#### **4.4.3. Vision**

For PSBA to be globally recognized as the RIGHT SCHOOL FOR A COMPLETE BUSINESS EDUCATION.

#### 4.4.4. Company Logo



*Figure 4.2. PARS Company Logo*

#### 4.4.5. Product Capacity or Project Size/Scale

##### 4.4.5.1. Product/Service Description

PARS Program will feature a referral system wherein currently enrolled students and alumni can refer potential enrollees to PSBA by providing the PARS with the name and contact information of the person being referred. In return, a discount in their tuition fee is rewarded to the referrer for the current semester, provided that the person/s referred had successfully enrolled to any course/program offered by PSBA. If the person referred will be able to completely settle the full amount or at least 50% of the tuition fee on or before half of the semester of the current school year, the referrer can already claim/use the tuition fee discount for the current semester. However, if in case the person referred manages to settle a full payment by the end of the semester, the discount reward shall be applied on the succeeding semester. In the event that the referrer is no longer enrolled to any course/program offered by PSBA, the discount reward shall be applied to the tuition fee of the person referred. Discounts cannot be availed in conjunction with other discounts/incentives provided by PSBA, as where a case when the referrer is already receiving discounts (e.g. enrolling a relative or an alumni's discount).

#### 4.4.5.2. Website Design and Process

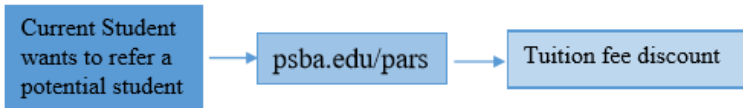


Figure 4.3. Website Design and Process

**Step 1:** If the current student wants to refer a potential student in the school, he/she should get the contact information (name, phone number, email address) of the person he/she will refer.

**Step 2:** He/She will go to <http://psba.edu/pars> to login/signup to your account. After, you can get your referral code. And you can now input your referrer information.

**Step 3:** If the referred person is successfully enrolled, the current student will get the Tuition fee discount under terms and condition.

#### 4.4.6. Market Feasibility

##### 4.4.6.1. Target Market

The PARS Program targets customers of any gender, may it be incoming senior high, college, graduate school students who would be interested in enrolling or referring potential enrollees in a school of high standards in terms of the quality of education they provided. People who take pride in committing to live up to the school's mission, vision and core values. Persons of good moral character who will serve as endorsers of the school moving forward through word-of-mouth marketing.

##### 4.4.6.2. Market Segmentation

###### Geographic

- Philippines
- City: Manila City

###### Demographic

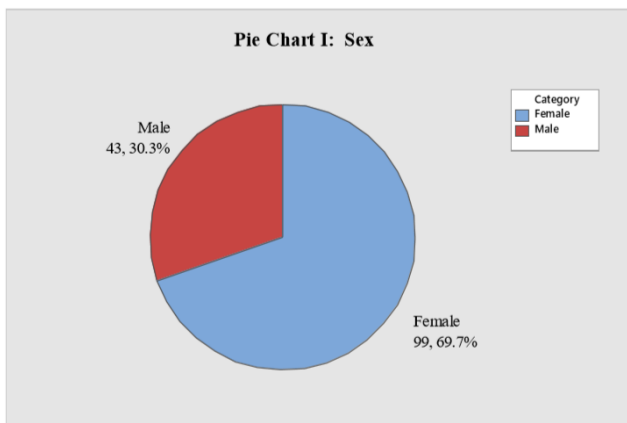
- Sex: Male/Female
- Status: Currently enrolled/ Alumni



- Educational Level: Senior High/ College/ Graduate School

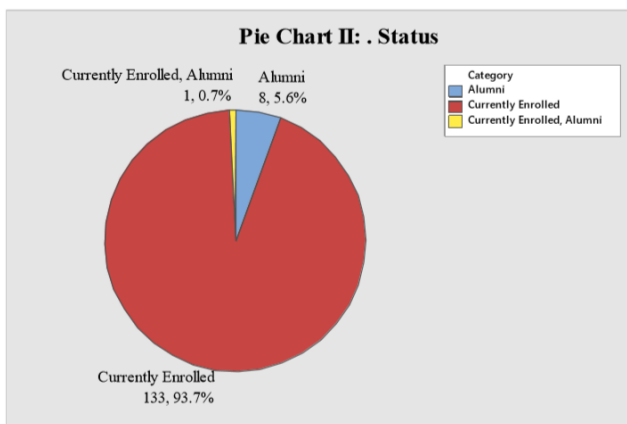
#### 4.4.6.3. Market Analysis

Below is the result of the market survey of 142 respondents done by the group.



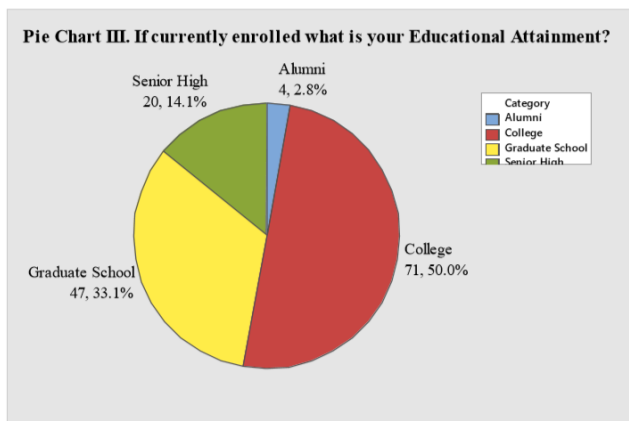
*Figure 4.4. Sex.*

The survey revealed that most of the respondents (or 69.7%) are Female.



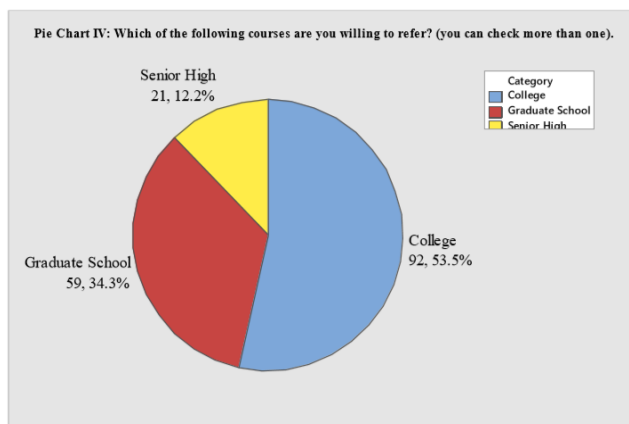
*Figure 4.5. Status.*

Most of the respondents are currently enrolled (93.7%).



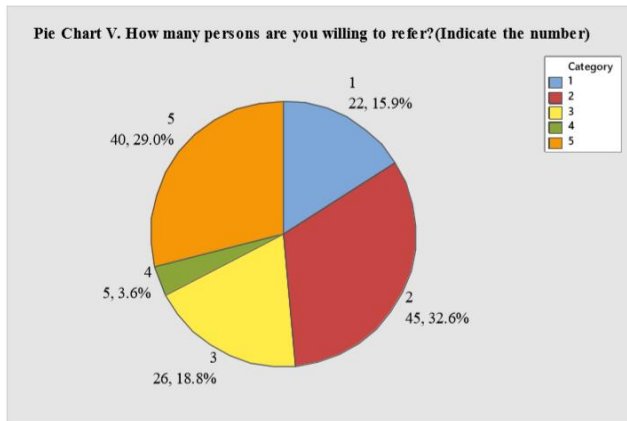
*Figure 4.6. If currently enrolled what is your Educational Attainment?*

Half of the respondents are College students (50%) followed by Graduate School students (33.3%)



*Figure 4.7. Which of the following courses are you willing to refer?*

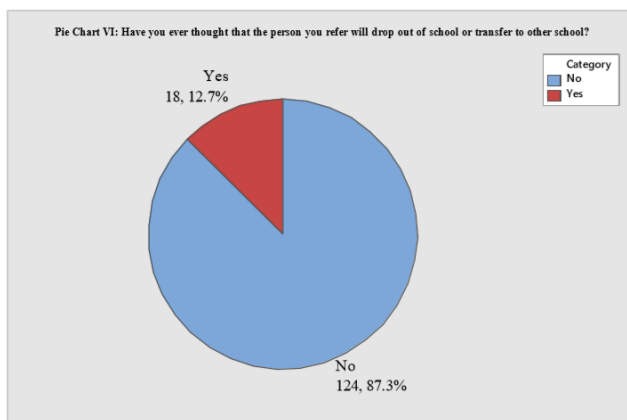
As shown in the above chart, most of the courses that students willing to refer are college level (53. 5%).



*Figure 4.8. How many persons are you willing to refer?*

32.6% of the students willing to refer 2 potential enrollees in the school. Out of 142 respondents, 24 college students said that they are willing to refer two potential enrollees, while on Senior High and Graduate School is 7 and 14, respectively.

Out of 8 factors that might encourages students to enroll or refer in PSBA, these are the top 3 choices, Quality of teaching (89 respondents), Courses offered (79 respondents) and Friends and/or Relatives (69 respondents). These responses may not add up to the total number of respondents since respondents were allowed to select more than one choice.



*Figure 4.9. Have you ever thought that the person you refer will drop out of school or transfer to other school?*

87. 3% of the respondents thought that the person they will refer are not going to drop or transfer to other school.

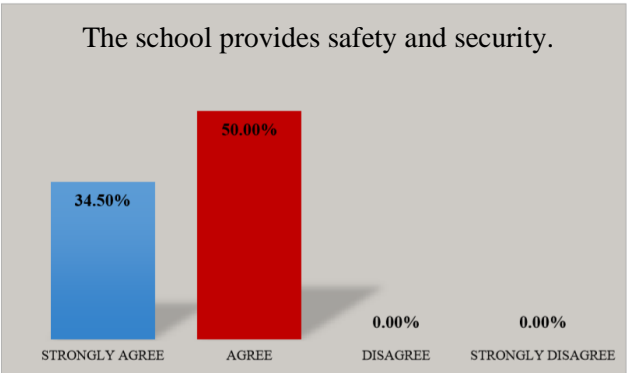


Figure 4.10. The school provides safety and security.

Half of the respondents strongly agree that the safety and security of the school affect their personally choosing a school while 34.50% said they are strongly agree.

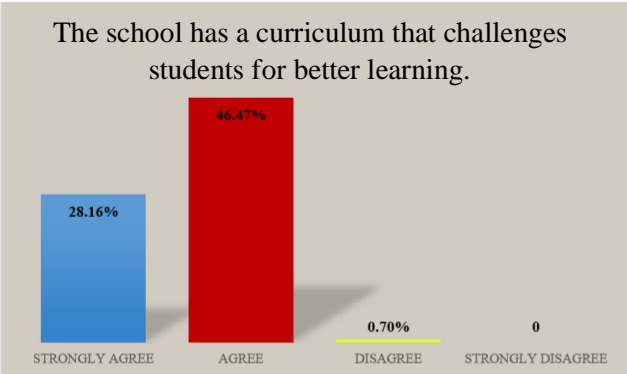
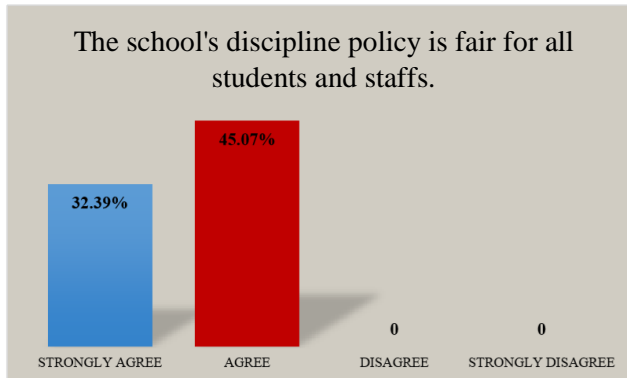


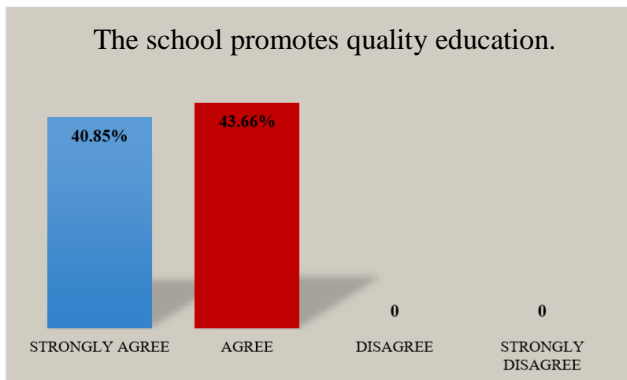
Figure 4.11. The school has a curriculum that challenges students for better learning.

46.47% of the respondents agree that the school has a school has a curriculum that challenges students for better learning affect their personally choosing a school. Some of the respondents said strongly agree and disagree, 28.16% and 0.70%, respectively.



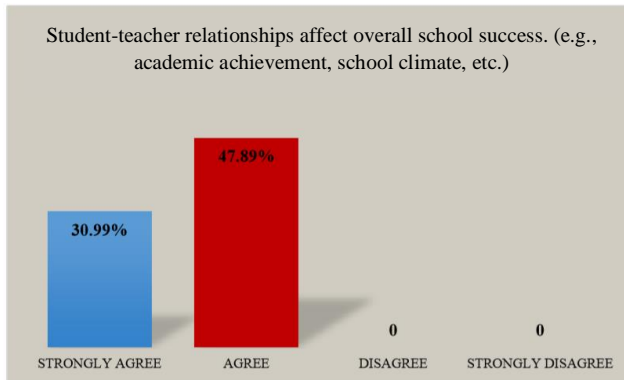
*Figure 4.12. The school's discipline policy is fair for all students and staffs.*

Students agree (45.07%) that school's discipline policy is fair for all students and staffs affect their in personally choosing school while 32.39% strongly agree.



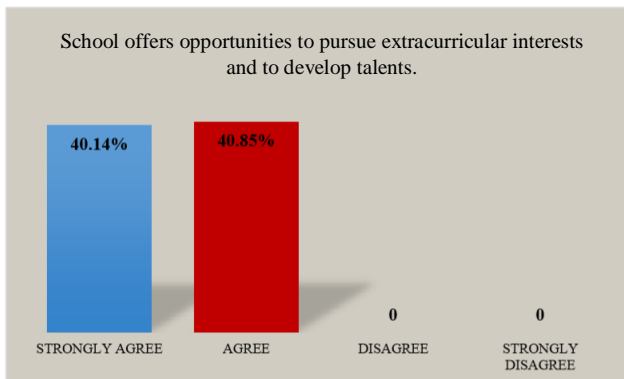
*Figure 4.13. The school promotes quality education.*

43.66% says that the students agree that the quality education of the school affects their personally choosing a school and 40.85% are strongly agree.



*Figure 4.14. Student-teacher relationships affect overall school success. (e.g., academic achievement, school climate, etc.)*

The students agree (47.89%) that the Student-teacher relationships affect overall school success (e.g., academic achievement, school climate, etc.) affects the personal choice of the student in a school and 30.99% are strongly agree.



*Figure 4.15. School offers opportunities to pursue extracurricular interests and to develop talents.*

40.85% of the respondents agree that the school that offers opportunities to pursue extracurricular interests and to develop talents affects the student in choosing their school. Also, students are strongly agree (40.14%) on this factor.

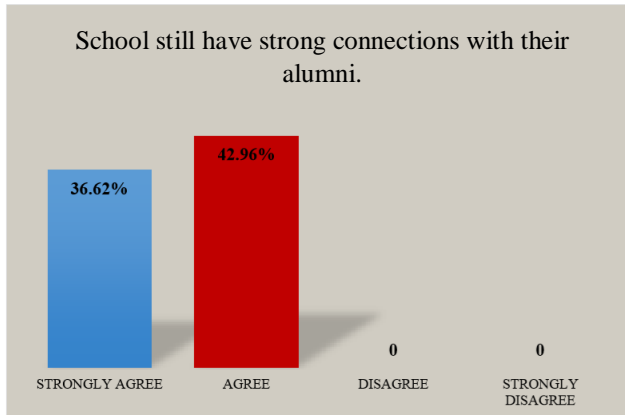


Figure 4.16. School still have strong connections with their alumni.

Students agree (42.96%) that a school who still have string connections with their alumni affects the students in choosing their school to come in and 36.62% was strongly agree.

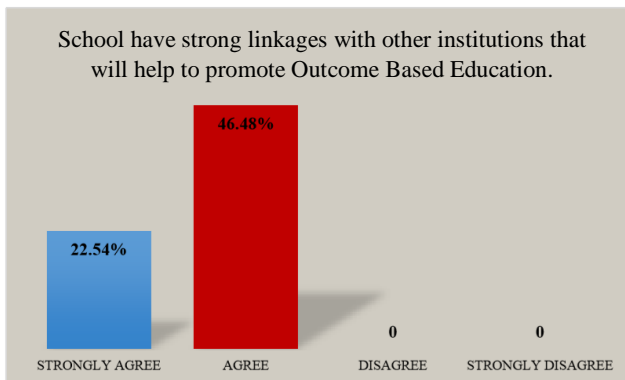


Figure 4.17. School have strong linkages with other institutions that will help to promote Outcome Based Education.

46.48% of the respondents agree that the school who have strong linkages with other institutions that will help to promote Outcome Based Education affects them in choosing a school and some of them are strongly agree (22.54%).

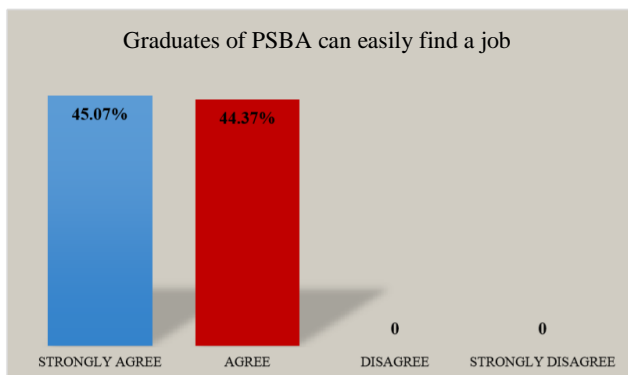


Figure 4.18. Graduates of PSBA can easily find a job.

45.07% of the respondents strongly agree that the graduates of PSBA can easily find a job while 45.07% are strongly agree.

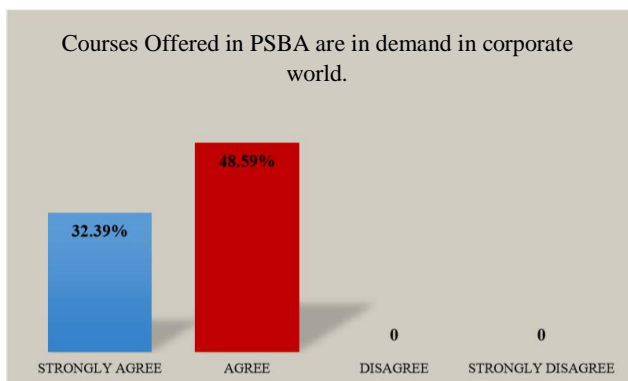


Figure 4.19. Courses Offered in PSBA are in demand in corporate world.

Most of the students agree (48.59%) that the courses offered in PSBA are in demand in corporate world affects their choice and 32.39% of them are strongly agree.

#### 4.4.6.4. Summary of Market Analysis

The survey revealed that most of the respondents are female (or 69.7% of the total respondents). Most of the respondents are currently enrolled (or 93.7% of the total respondents) that are in College level, this shall be our focus target market.



Since most of the respondents are from college students, most of them wants to refer a student for college level comprised of 53.5%. Graduate School level comes next and then Senior high school at 34.3% and 12.2% respectively. Most of the students wants to refer 2 students per person (or 32.6% of the respondents). Out of 142 respondents, 24 college students said that they are willing to refer two potential enrollees, while on Senior High and Graduate School is 7 and 14, respectively. 89 of the respondents said that the Quality of teaching encourage them to enroll or refer someone in PSBA.

The survey results also showed that 87.3% of the respondent thought that the refer student/s will not drop out or transfer a school, and 12.7% responds yes. For this reason, our Student and Alumni Affairs will be focusing on informing the students and promoting about PARS program on the first two years of our operation.

The survey results also showed that the students agree in the different factors in personally choosing a school. In terms of providing safety and security of the school, 50% agree, school has a curriculum that challenges students for better learning, 46.47% agree, school's discipline policy is fair for all students and staffs, 45.07% agree, school promotes quality education, 43.66% agree, Student-teacher relationships affect overall school success (e.g., academic achievement, school climate, etc.), 47.89% agree, school offers opportunities to pursue extracurricular interests and to develop talents, 40.85% agree, school still have strong connections with their alumni, 42.96% agree, school have strong linkages with other institutions that will help to promote Outcome Based Education, 46.48% agree, Graduates of PSBA can easily find a job, 45.07% strongly agree, Courses Offered in PSBA are in demand in corporate world, 48.59% agree.

Lastly, some of the respondent are somewhat disagree in some factor in choosing a school particularly, Student-teacher relationships affect overall school success. (e.g., academic achievement, school climate, etc.) and school offers opportunities to pursue extracurricular interests and to develop talents both are at 1.41%, school still have strong connections with their alumni

at 3.53%, School have strong linkages with other institutions that will help to promote Outcome Based Education, at 7.04%, Graduates of PSBA can easily find a job at 5.63%, and courses offered in PSBA are in demand in corporate world at 4.93%.

#### 4.4.6.5. Competitors

Our direct competitors are schools/universities with referral system and provides same business programs with the same bracket of tuition fee while our indirect competitors are those schools/universities that are near the location of the school also offered same business program but with a higher tuition fees.

*Table 4.1. Direct Competitors.*

<b>Competitors</b>	<b>Description</b>
Technological Institute of the Philippines (TIP)	TIP is a private nonsectarian higher education institution. Awarded as an <b>Autonomous Status</b> (May 16, 2016) and as a <b>Center of Development in Business Administration</b> . Also, TIP has already a referral system wherein students can refer through form.
Lyceum of the Philippines (LPU)	LPU is an institute of higher education located in Intramuros, Manila. The Business Administration and Customs Administration programs of LPU were awarded and recognized as Center of Excellence by the Commission on Higher Education. On May 17, 2016, CPA Passing rate: 50%, National Passing Percentage: 35. 14%, and First Taker Passing Rate: 100%. ( <a href="https://manila.lpu.edu.ph">https://manila.lpu.edu.ph</a> ) Tuition Fee: <ul style="list-style-type: none"> <li>• College: 80,000-100,000/year</li> <li>• MBA: 29,000-50,000/year</li> </ul>
National College of Business and Arts (NCBA)	NCBA is a private Educational Institution located in Cubao, Fairview and Taytay and a Center for Graduate Studies in Business and Management. ( <a href="https://ncba.edu.ph">https://ncba.edu.ph</a> )

*Table 4.2. Indirect Competitors.*

<b>Competitors</b>	<b>Description</b>
University of the East-Manila (UE)	UE is a private non-sectarian university, located in Recto, Manila, who offers Business Administration Programs and MBA/DBA.
Far Eastern University (FEU)	FEU is a private non-sectarian university, located in Nicanor Reyes St. Sampaloc, Manila, who offers also Business Administration and MBA/DBA programs.

#### **4.4.6.6. Competitive Business Strategy**

We created unique Marketing Strategies which we named it “Connect with us, let us know your advantage if you are Graduated in PSBA” a combination of Traditional and New Promotional Strategies.

**4.4.6.6.1. Registration Connect:** Enrollment schedule is one of the busiest days of the school. We will attach the brochures to the PSBA Enrollment form “Lets us know your advantage if you graduate in PSBA”. We will be having a table with the PARS brochures, standing tarpaulin in front of the registration office and assigned someone to discuss about the PARS Program. The students need to register to [psba.edu/pars](http://psba.edu/pars). Once registered they will be receiving a unique code and referral link (ex: [psba.edu/pars1234code](http://psba.edu/pars1234code) in which they can post and use the link to their FB once their referrals click the link and register it will go to directly to their referrals account as their referrals

**4.4.6.6.2. Professors and Teachers Connect:** From the start of the class the Professors and Teachers need to discuss short details about the PARS Program.

**4.4.6.6.3. General Assembly (GA Connect):** The PARS Team will be presenting the PARS Program on how the programs works, play a short video and make some games that’s related to PARS Program.

**4.4.6.6.4 Text Connect:** The PARS Team will be sending a Text to all students regarding the PARS Program via GLOBE Text Connect P1500 plan consumable.

**4.4.6.6.5. Junior High School Connect:** Giving presentation during Junior High School Activities Metro Manila at least 4-5 visited school per semester and or before graduation, Intramurals, Sportfest, and Foundation day.

**4.4.6.6.6. Online and Social Media Connect:** Social Media are computer-mediated technologies that facilitate the creation and sharing of information, ideas, career interests and other forms of expression via virtual communities and networks. In business, social media is used to market, promote brands, and connect to current customers and foster new business.

Social media is a phrase that we throw around a lot these days, often to describe what we post on sites and apps like:

**Facebook** is a popular free social networking website that allows registered users to create profiles, upload photos and video, send messages and keep in touch with friends, family and colleagues.

**Twitter** is a free microblogging service that allows registered members to broadcast short posts called tweets. Twitter members can broadcast tweets and follow other users' tweets by using multiple platforms and devices.

**Google+** (pronounced Google plus) is Google's social networking project, designed to replicate the way people interact offline more closely than is the case in other social networking services. The project's slogan is "Real-life sharing rethought for the web."

Here are the promotional types that we are going to execute to achieve our marketing objectives:

*Table 4.3. Promotional types to execute to achieve our marketing objectives.*

<b>Resources and Promotional Activities as defined in the Marketing and Advertising Strategy</b>			
<b>ACTIVITY</b>	<b>THEME</b>	<b>OBJECTIVES</b>	<b>COST/TARGET REACH</b>
Facebook Organic Ad	<p>“Get to know more about PARS Program”</p> <p>“Lets us know your advantage if you are graduated in PSBA”</p>	For awareness and increase the traffic of the PSBA FB and Site.	<p><b>FREE</b></p> <p>20,000 Likes</p> <p>1,000 Shares</p> <p>4,400 Comments</p>
<p>Facebook Page Boost</p> <p>Duration: 51.28 days x Php 50.00 = Php 2,564 / 2 = Php 1,284 per month 5,000 likes 1,000 shares *3,000 comments</p> <p>Organic promotion (Free) 5 x 200 fb friends = 1,000 1,000 x 200 = 200,000 possible likes (Will use the FB invite to our pages function to increase awareness of PSBA Program) *Comments as well as messages from the potential students should be monitored closely so as not to lose a potential students. Response should be close to real-time.</p>			<b>Php 1,284.00</b>
<p>Social Media Campaign - Twitter account</p> <p>#PSBAmanilapars - Instagram account</p> <p>PSBA Manila PARS Program - YouTube account</p> <p>PSBA Manila PARS Program (will integrated/sync this to our FB page and website)</p>	<p>“Get to know more about PARS Program”</p>	Program awareness campaign and to increase the potential students	<p><b>FREE</b></p> <p>3,000 followers</p> <p>3,000 views</p> <p>3,000 views</p>

<b>Resources and Promotional Activities as defined in the Marketing and Advertising Strategy</b>			
<b>ACTIVITY</b>	<b>THEME</b>	<b>OBJECTIVES</b>	<b>COST/TARGET REACH</b>
Print Advertisement  2000 pcs of Brochures  3000 pcs of Flyers  5 Standing Tarpaulin	“Lets us know your advantage if you are graduated in PSBA”		<b>Php 8,000.00</b>  <b>Php 1,500.00</b>  <b>Php 1,600.00</b>
Google paid ads Description: 1 pager, landscape, graphic material about the advantage of Graduate of PSBA.	“Get to know more about PARS Program”	PSBA Program awareness campaign	<b>Php 2,000.00/month</b>  5,000 clicks
Website launch <a href="http://www.psba.edu/pars">http://www.psba.edu/pars</a> We will use the services of GoDaddy website builder which includes: - Responsive mobile design - Website hosting - 24/7 support - Security (SSL) - SEO - Email Marketing <a href="mailto:pars.info@psbe.edu">pars.info@psbe.edu</a> - Social Media Integration - Globally-Optimized Speed	“Lets us know your advantage if you graduate in PSBA”	PSBA Program awareness campaign	<b>Php 720.00/month</b>
Junior High School Visit  -Giving presentation during Junior High School Activities Metro Manila at least 4-5 visited school per semester and before graduation  -Intramurals, Sportfest, Foundation day	“Lets us know your advantage if you are Graduated in PSBA”	PSBA Program awareness campaign	<b>Php 30,000.00 per semester</b>
Text Connect  -Send to many including the link of website	“Lets us know your advantage if you are Graduated in PSBA”	PSBA Program awareness campaign	<b>Php 1,500.00</b>

## 4.4.7. Financial Feasibility

### 4.4.7.1. Projected Financial Plan FY 2019

Table 4.4. Projected Financial Plan FY 2019

REVENUE		
Senior High School		191,334.91
Undergraduate School		2,903,798.11
Graduate School		1,352,644.34
<b>TOTAL REVENUE</b>	<b>P</b>	<b>4,447,777.36</b>

OPERATING COST		
Promotional Cost ( <i>Schedule III</i> )		134,443.53
Marketing Expenses ( <i>Schedule III</i> )		119,100.00
Website Maintenance / Hosting		60,000.00
Communication cost ( Internet /Mobile Plan)		36,000.00
<b>TOTAL COST</b>	<b>P</b>	<b>349,543.53</b>

GENERAL EXPENSES		
Professional Fee ( <i>Schedule I</i> )		747,500.00
Stationery and office supplies		24,000.00
Depreciation Expense		65,000.00
<b>TOTAL GENERAL EXPENSES</b>	<b>P</b>	<b>836,500.00</b>

Revenue generated on the number of referrals successfully finished the courses.

Costs are allocated into Operating and General expenses. Primarily, promotional are those expenses directly attributable to PARS. These include the discount rate given to the current student

whose referrals paid the tuition fee on the specified terms. Advertisement (posters, brochures and web) constitute the cost to promote the program within the school campus. Others relate to the salary and administrative expenses.

#### 4.4.7.2. Forecasted Financial Performance

*Table 4.5. Forecasted Financial Performance for the Year Ending Dec. 31.*

	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
<b>REVENUE</b>					
Revenue	4,447,777.36	5,137,182.85	6,203,148.29	8,141,632.13	11,113,327.86
<b>Total Revenue</b>	<b>4,447,777.36</b>	<b>5,137,182.85</b>	<b>6,203,148.29</b>	<b>8,141,632.13</b>	<b>11,113,327.86</b>
<b>OPERATING COST</b>					
Promotional Cost	134,443.53	340,071.46	404,734.67	543,236.61	655,748.66
Marketing Expenses	119,100.00	62,000.00	62,000.00	53,000.00	53,000.00
Website Maintenance / Hosting	60,000.00	62,400.00	64,896.00	67,491.84	70,191.51
Communication cost	36,000.00	38,940.00	41,997.60	46,677.50	51,544.60
<b>Total Operating Cost</b>	<b>349,543.53</b>	<b>503,411.46</b>	<b>573,628.27</b>	<b>710,405.95</b>	<b>830,484.78</b>
<b>GROSS PROFIT</b>	<b>4,098,233.83</b>	<b>4,633,771.39</b>	<b>5,629,520.02</b>	<b>7,431,226.18</b>	<b>10,282,843.08</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b>					
Professional Fee	747,500.00	777,400.00	808,496.00	840,835.84	874,469.27
Stationery and office supplies	24,000.00	24,960.00	25,958.40	26,996.74	28,076.61
Depreciation Expense	65,000.00	65,000.00	65,000.00	65,000.00	65,000.00
<b>Total General Expense</b>	<b>836,500.00</b>	<b>867,360.00</b>	<b>899,454.40</b>	<b>932,832.58</b>	<b>967,545.88</b>
<b>NET INCOME</b>	<b>3,261,733.83</b>	<b>3,766,411.39</b>	<b>4,730,065.62</b>	<b>6,498,393.60</b>	<b>9,315,297.20</b>



	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
<i>Total Operating Cost</i>	8%	10%	9%	9%	7%
<i>Total General Expense</i>	19%	17%	14%	11%	9%
<i>Gross Profit Margin</i>	92%	90%	91%	91%	93%
<i>Net Profit Margin</i>	73%	73%	76%	80%	84%

### 4.4.7.3. Forecasted Financial Position

*Table 4.6. 1.1.1.1. Forecasted Financial Position for the Year Ending Dec. 31.*

	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
<b>ASSET</b>					
<i>Current Asset</i>					
Cash in Bank	2,981,733.83	6,710,926.56	11,485,218.87	17,996,521.71	27,318,105.55
Petty Cash Fund	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
Accounts Receivable	Note 2 -	102,743.66	124,062.97	162,832.64	222,266.56
Advance to officers	Note3 -	-		14,013.93	14,013.93
<b>Total Current Asset</b>	<b>3,011,733.83</b>	<b>6,843,670.22</b>	<b>11,639,281.84</b>	<b>18,203,368.28</b>	<b>27,584,386.04</b>
<i>Property and Equipment</i>					
Office Equipment	275,000.00	275,000.00	275,000.00	275,000.00	275,000.00
Accumulated Depreciation -OE	(55,000.00)	(110,000.00)	(165,000.00)	(220,000.00)	(275,000.00)
Software and Program	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Accumulated Depreciation -SP	(10,000.00)	(20,000.00)	(30,000.00)	(40,000.00)	(50,000.00)
<b>Total Non- Current Asset</b>	<b>260,000.00</b>	<b>195,000.00</b>	<b>130,000.00</b>	<b>65,000.00</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>3,271,733.83</b>	<b>7,038,670.22</b>	<b>11,769,281.84</b>	<b>18,268,368.28</b>	<b>27,584,386.04</b>
<b>LIABILITIES &amp; STOCKHOLDER'S EQUITY</b>					
<b>LIABILITIES</b>					
<i>Current Liabilities</i>					
Accounts Payable	Note 1 10,000.00	10,525.00	11,071.00	11,763.84	12,484.39
<b>Total Liabilities</b>	<b>10,000.00</b>	<b>10,525.00</b>	<b>11,071.00</b>	<b>11,763.84</b>	<b>12,484.39</b>

	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
<b>TOTAL LIABILITIES</b>	<b>10,000.00</b>	<b>10,525.00</b>	<b>11,071.00</b>	<b>11,763.84</b>	<b>12,484.39</b>
<i>Equity</i>	3,261,733.83	7,028,145.22	11,758,210.84	18,256,604.44	27,571,901.64
<b>TOTAL EQUITY</b>	<b>3,261,733.83</b>	<b>7,028,145.22</b>	<b>11,758,210.84</b>	<b>18,256,604.44</b>	<b>27,571,901.64</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3,271,733.83</b>	<b>7,038,670.22</b>	<b>11,769,281.84</b>	<b>18,268,368.28</b>	<b>27,584,386.04</b>
<b>NET ASSET</b>	<b>3,261,733.83</b>	<b>7,028,145.22</b>	<b>11,758,210.84</b>	<b>18,256,604.44</b>	<b>27,571,901.64</b>

Notes: 1) Last month expenses be settled first month of the succeeding year

2) Provision on Accounts Receivable is 2% of Total Annual Revenue

3) Cash advances given to officers is 20% of basic wage

#### 4.4.7.4. Forecasted Cash Flow Statement

Table 4.7. Forecasted Cash Flow Statement for the Year Ending Dec. 31

	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
<b>Cash flows from operating activities</b>					
Profit before taxation	3,261,733.83	3,766,411.39	4,730,065.62	6,498,393.60	9,315,297.20
<i>Adjustments for:</i>					
Depreciation	65,000.00	65,000.00	65,000.00	65,000.00	65,000.00
<i>Working capital changes:</i>					
(Increase) / Decrease in receivables	-	(102,743.66)	(21,319.31)	(38,769.68)	(59,433.91)
(Increase) / (Decrease) advances from officers	-	-		(14,013.93)	-
Increase / (Decrease) in trade and other payable	10,000.00	525.00	546.00	692.84	720.55
<b>Cash generated from operations</b>	<b>3,336,733.83</b>	<b>3,729,192.73</b>	<b>4,774,292.31</b>	<b>6,511,302.84</b>	<b>9,321,583.84</b>
<i>Net cash from operating activities</i>	<b>3,336,733.83</b>	<b>3,729,192.73</b>	<b>4,774,292.31</b>	<b>6,511,302.84</b>	<b>9,321,583.84</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	(325,000.00)	-	-	-	-
<i>Net cash used in investing activities</i>	<b>(325,000.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>					
<i>Net cash used in financing activities</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
Net increase in cash and cash equivalents	3,011,733.83	3,729,192.73	4,774,292.31	6,511,302.84	9,321,583.84
Cash and cash equivalents at beginning of period	-	3,011,733.83	6,740,926.56	11,515,218.87	18,026,521.71
Cash and cash equivalents at end of period	3,011,733.83	6,740,926.56	11,515,218.87	18,026,521.71	27,348,105.55
<i>Cash Balance Control Total</i>	<i>(0.00)</i>	<i>(0.00)</i>	<i>(0.00)</i>	<i>(0.00)</i>	<i>(0.00)</i>

#### 4.4.7.5. Property and Equipment Schedule

Table 4.8. Property and Equipment Schedule.

PLANT ASSETS COSTS						
		Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
Office Equipment		275,000.00	275,000.00	275,000.00	275,000.00	275,000.00
Software & Program		50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
TOTAL		325,000.00	325,000.00	325,000.00	325,000.00	325,000.00
DEPRECIATION						
	No. of years	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
Office Equipment**	5	55,000.00	55,000.00	55,000.00	55,000.00	55,000.00
Software & Program	5	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
TOTAL		65,000.00	65,000.00	65,000.00	65,000.00	65,000.00
ACCUMULATED DEPRECIATION						
		Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
Office Equipment**		55,000.00	110,000.00	165,000.00	220,000.00	275,000.00
Software & Program		10,000.00	20,000.00	30,000.00	40,000.00	50,000.00
TOTAL		65,000.00	130,000.00	195,000.00	260,000.00	325,000.00

Note: Office Equipment consists of Computers, Printer, Photocopier and Scanner

The useful life of the Equipment is estimated based on the period over which the assets are expected to be available for use. The estimated useful lives are reviewed periodically.

### 4.4.7.6. Professional Fees Schedule

Table 4.9. Professional Fees.

Position	Monthly			Annual		Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
	Salaries	Social Contribution	Total	Salary	Total					
Director	15,000.00	1,700.00	16,700.00	200,400.00	217,100.00	217,100.00	225,784.00	234,815.36	244,207.97	253,976.29
Coordinator I	10,000.00	1,700.00	11,700.00	140,400.00	152,100.00	152,100.00	158,184.00	164,511.36	171,091.81	177,935.49
Coordinator II	8,000.00	1,700.00	9,700.00	116,400.00	126,100.00	126,100.00	131,144.00	136,389.76	141,845.35	147,519.16
Coordinator III	8,000.00	1,700.00	9,700.00	116,400.00	126,100.00	126,100.00	131,144.00	136,389.76	141,845.35	147,519.16
Coordinator IV	8,000.00	1,700.00	9,700.00	116,400.00	126,100.00	126,100.00	131,144.00	136,389.76	141,845.35	147,519.16
TOTAL	49,000.00	8,500.00	57,500.00	690,000.00	747,500.00	747,500.00	777,400.00	808,496.00	840,835.84	874,469.27

Note: 1) 4 % Inflation rate

The remuneration of the Director and Coordinators of PARS are set out on a part-time based salary as specified above.

### 4.4.7.7. Revenue Schedule

Table 4.10. Revenue Schedule.

	Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
PROFIT AND LOSS ASSUMPTION					
Annual cumulative increase on referral	0%	10%	15%	25%	30%
Annual cumulative tuition increase	0%	5%	5%	5%	5%
REVENUE					
Senior High School	191,334.91	220,991.82	266,847.62	350,237.50	478,074.19
Undergraduate School	2,903,798.11	3,353,886.82	4,049,818.34	5,315,386.57	7,255,502.66
Graduate School	1,352,644.34	1,562,304.21	1,886,482.34	2,476,008.07	3,379,751.01
Total Revenue	4,447,777.36	5,137,182.85	6,203,148.29	8,141,632.13	11,113,327.86
NUMBER OF REFERRED STUDENTS PER LEVEL					
Senior High School	9	9	11	13	17
Undergraduate School	68	74	85	107	139
Graduate School	26	29	33	42	54
	102	113	129	162	210

		Year 2019	Year 2020	Year 2021	Year 2022	Year 2023
TUITION FEE SCHEDULE						
	Term					
Senior High School	One School Year	22,500.00	23,625.00	24,806.25	26,046.56	27,348.89
Undergraduate School	Per Semester	21,500.00	22,575.00	23,703.75	24,888.94	26,133.38
Graduate School	Per Semester	25,700.00	26,985.00	28,334.25	29,750.96	31,238.51

\* Tuition based on regular enrolled units

Revenue derived from the referrals by the student of PSBA. Realized income is generated on the referred students successfully finish the course.

Revenue for the year is dependent on the assumptions of referral and tuition fee increase (refer to profit & loss assumptions). For its first year of operation, PARS yielding an annual revenue of P 4.4M based on 102 referred students - 9, 68, 26 for Senior High School, Undergraduate, and Graduate respectively. Revenue increase to P 5.1M for the second year and, P 6.2M, P 8.1M and P 11.1M for the next 3 years.

#### 4.4.7.8. Promotional and Marketing Cost

Table 4.11. Promotional and Marketing Cost.

	2019	2020	2021	2022	2023
Marketing / Promotional Cost Details:	372,643.53	340,071.46	404,734.67	543,236.61	655,748.66
Promotional cost (Discount availment)	134,443.53	216,071.46	280,734.67	437,236.61	549,748.66
Marketing expenses	119,100.00	62,000.00	62,000.00	53,000.00	53,000.00
Web Advertisement					
Facebook Page Boost	15,360.00	10,000.00	10,000.00	3,000.00	3,000.00
Google Page Ads	24,000.00	10,000.00	10,000.00	8,000.00	8,000.00
Website Launch	8,640.00	-	-	-	-
School Visit	60,000.00	30,000.00	30,000.00	30,000.00	30,000.00

#### 4.4.8. Corporate Social Responsibility

Scholarship programs are one of the most popular examples of PARS in recent years that strike this balance. Scholarships make a direct impact on the community by helping deserving students afford higher education. The programs also

increase brand awareness among students early in their careers, positioning your business as an attractive employment option upon graduation.

As part of PARS Program is also a referral alert from your instructor or other concerned person that you may be experiencing academic difficulties. Or maybe your personal life is off track.

A PARS program helps you find support resources to stay in class and successfully finish. Falling behind in your studies can have a domino effect on your ability to earn your degree, transfer, graduate or even qualify for financial aid or scholarships. Success in school starts with you.

The PARS Student and Alumni Affairs as part of our Social Responsibility, will offer a scholarship for a qualified student every semester. Any student can apply for this scholarship as long as they can complete the requirements and qualifications.

Requirements for Scholarship:

- PARS Scholarship Application form
- Parent's Annual Income
- Student's Grade Last Semester

*Note: Student also will undergo interview.*

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