

Marketing and Corporate Social Responsibility of Trading Business in Southern Philippines



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ABSTRACT: A well-planned and implemented marketing strategy and strong Corporate Social Responsibility programs could give any company a competitive advantage over its competitors. This research examined how the CTC Company in Southern Philippines survived and expanded the business through marketing strategies and social responsibility initiatives to their stakeholders. Secondary data from their website and annual reports were used by the researchers supported by interviews of the selected officers and employees of the company. Through offering quality products, providing outstanding customer service, and constantly innovating for the customer's needs, the company grew bigger and expanded its business to other locations. The company used internal and external approaches to its CSR.

In conclusion, the company was successful in its marketing strategies and able to sustain its Corporate Social Responsibility which led to the expansion of the business in Southern Philippines. Recommendations are: management can continue its product innovations not only to the leading products but also include those products which are less in demand, the corporation may provide job opportunities not only locally but also in international regions, and Corporate Social Responsibility should be strengthened not only in Davao and Cagayan de Oro Branches but also in other branches of CTC Company in Southern regions.

KEYWORDS: Marketing, strategies, products, services, innovation, Corporate Social Responsibility, Philippines.

I. INTRODUCTION

A well-planned implemented marketing strategy and strong Corporate Social Responsibility (CSR) programs could give any company a competitive advantage over other businesses. The possibilities include using the co-production aspect in the customer relationship, transforming the business toward service-dominant logic, using service offering and delivery as part of global expansion strategies, and redesigning the service delivery by analyzing and developing the service supply chain structure (Gunasekaran & Rymaszewska, 2017). In addition, corporate social responsibility is often framed in terms of opposing constructions of the firm and these constructions reflect, respectively, different accounts of the firm's obligations: either to shareholders or to stakeholders (Arikan et. al, 2017). Furthermore, CSR influences every activity in the retail value chain, both downstream and upstream (Zentes, 2017). Most businesses today have embraced the concept of corporate social responsibility (CSR), as clearly illustrated in their varied activities – from simply giving back to their employees and communities to being indispensable for continuing operations.

This current research examines how the CTC Company in the southern part of the Philippines survived and expanded its business through marketing strategies and how the company can communicate its social responsibility initiatives to its stakeholders. CTC Company is a Filipino-owned company with branches in Cagayan de Oro City and Davao City (the Main Branch). It is engaged in buying (importing) and selling and light manufacturing surplus products from Japan, specifically light, medium, and heavy trucks, cargo transport vehicles, heavy equipment for industrial buildings, and generators. This company uses a marketing mix to provide products to its customers.

More importantly, service marketing mix factors affecting customers towards selecting a service of trading business in a district or city, emphasized that customers paid the highest level of importance to physical evidence factor much more at a high level to product, service process, price, place, promotion, and people factors (Pakna & Suriyapa, 2016). Furthermore, marketing mix is about employing the right product or a mixture thereof in the place, at the right time, and the right price.

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II. METHODOLOGY

This study used the descriptive design to present, interpret, and analyze both the primary and secondary data. In obtaining the primary data, in-depth interviews of the selected personnel or employees in the corporation were conducted. On the other hand, secondary data were extracted from the annual report of the corporation and information available on the company website. Ethical principles were observed throughout each stage of the research. In that, an approved letter of request was secured from CTC Company through the manager of the Cagayan de Oro Branch in conducting an in-depth interview of selected personnel, and use of its website and annual report.

III. RESULTS AND DISCUSSION

This study revealed some of the marketing mix and marketing strategies including the CSR applied by CTC Company in penetrating the two known cities of Mindanao such as Cagayan de Oro City and Davao City. Businesses in the world today are facing a large number of competitors and are surrounded by various problems linked to the environment and the community. A combination of marketing mix and marketing strategy would gradually solve the current problems of the firms with the application of corporate social responsibility (CSR). Corporate Social Responsibility is a means to answer those difficulties to some extent because business is a part of the community.

Background of the Corporation. CTC Company started as a lumber production company established in 1988 in Cagayan de Oro City, Misamis Oriental, Philippines. It was named PTCO and mainly exported its products to clients in Japan. Later on, the owner of the company introduced the trucking, reassembling, and reconditioning business, and recommended it to CTC Company in March 1992. Since then, the company has been doing business with reconditioned trucks and heavy equipment through assembling and light manufacturing. The company's operations started in Davao City but in 2002 it transferred its main office and rebuilding yard to Cagayan de Oro City, Mindanao. This company has become the go-to dealer or engaged surplus trucks and heavy equipment in Misamis Oriental, Bukidnon, and other neighboring cities and provinces in the southern part of the Philippines.

Customer. The clients of CTC Company were mostly construction companies. According to its Manager, construction companies usually engaged in building large structures which eventually required the use of trucks and heavy equipment that addressed not only increased speed and efficiency but also necessary safety structures. Particularly, the said construction companies need transit mixers, concrete pumps, pay loaders, excavators, and dump trucks through fast and efficient procurement and delivery. An in-depth interview with the company personnel shared that CTC Company Trucks and Equipment supported the construction industry by providing its clients with the necessary equipment which assured them of an increase not only in their output but also in their productivity.

Logistics. According to the manager of CTC Company, logistics is concerned with the flow of items usually products and raw materials, from one point to another which became a very necessary part of the business. With the introduction of online shopping, its logistics were becoming equally important to individual customers for the safe and efficient transport of goods.

CTC Company Product and Process

Acquisition. The products of CTC Company were surplus units imported from Japan with its two sister companies. CTC Company acquired surplus trucks and heavy equipment from auction surplus shops and various companies selling their trucks and heavy equipment. Since it is impossible to ship the trucks and equipment to the Philippines in their built form, they were disassembled before they were loaded into 40-foot cargo container vans. This process is called complete knockdown (CDK). The cargo was then shipped to the Philippines and received in Cagayan de Oro and Davao branches.

Assembly, Conversion, and Body Repair. Most, if not all of the surplus parts were then delivered to the work yards in Cagayan de Oro and Davao. The Production Departments then preceded the reversal of CDK, by assembling the parts of equipment into their original form. Before doing major repairs and replacements, CTC Company technicians converted the vehicles from R-hand drive to L-hand drive configuration. With work yards well-equipped workforce materials and tools to do light manufacturing stage, in addition, the technicians made the necessary repairs for any parts that were broken, faulty, rusty, and the like. Any parts that were found unsalvageable were then replaced with brand-new ones.

Quality Control. The finished products did not go directly to the showroom for they went through the meticulous process of Quality Control. CTC Company provided high-quality trucks and heavy equipment among others to its customers who had the propensity to come back to CTC Company for subsequent purchases or servicing needs since 1992. Stringent in Quality Process, CTC Company scanned the following: under-chassis, brake line, machines or engines, radiator, electrical systems, painting, wood effect, upholstery, matting, and other accessories. Furthermore, CTC Company's technicians made sure that the units were provided accordingly (with or without accessories). Various tests were also done to double-check the overall condition of the units. Equipment was driven out to locations where the various units could be fully tested. Excavators and wheel loaders were tested to dig, shift, and lift soil and gravel to check their load capacities and functions, refrigerated vans go through temperature

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testing. Every function that the trucks and equipment were supposed to perform was tested to ensure excellent performance and maximum capacities.

CTC Company Marketing Strategies

Direct Marketing. CTC Company communicated directly with customers and prospects through the mail, email, blog posts, Facebook, texts, fliers, and other promotional material. The company conducted promotional activities such as anniversary sales and fiesta sales of its products with specifications.

Transactional Marketing. The company experienced heavy sales with challenging competition, especially when the management consistently sold heavy equipment in high volume to customers. To stay with the demands in the market, the corporation tried to encourage customers to buy by availing discounts during sales events like city fiestas and foundation celebrations of the two cities (Cagayan de Oro and Davao).

Online Marketing. CTC Company engaged in online marketing and endeavored to get their customers' attention in any way they could. It tried the most online strategic marketing efforts and used a variety of awareness tactics that drive attention. Applying the concept of online marketing, the company used its Websites, Facebook accounts, and Blog posts in its promotional activities and information drive to attract and deal with customers.

Tradeshaw Marketing. CTC Company employed Tradeshaws by providing showroom areas in both Cagayan de Oro and Davao branches. In addition, the company tapped industry gatherings where customers were invited to come, see, and experience all the products.

Corporate Social Responsibility (CSR).

CTC Company was a concerned and active player in the local communities where its work yards were based. The company organized various programs dedicated to charity and other social and humanitarian causes. Aside from the programs, CTC Company formed its own foundation office and sought to help young people with limited financial means but interested in studying to work for automotive and industrial building companies. As a TESDA-accredited training center, CTC Foundation gave less fortunate, but dedicated and talented individuals, the opportunity to land a well-paying job in this industry.

Technical and Vocational Training Center. The CTC Company Foundation Technical and Vocational Training Center was founded on November 6, 2008. The tools and equipment in the workshop were top-of-the-line. This training center believed that skills were best honed when practiced, that is combining theory and practice. This belief was the driving principle of CTC Company Foundation in providing the best training and materials to its student beneficiaries. The mission, vision, and goals of the foundation are presented below:

Mission. CTC Company Foundation Incorporated. commits to helping develop the professional and technological skills and capabilities of the Filipino workforce in Mindanao.

Vision. CTC Company Foundation Inc. aims to be a premier provider of technical and vocational education and skills training in Mindanao.

Goals: CTC Company Foundation Incorporated strives to establish the best-equipped training center in Mindanao on various technologies and human resource development programs, provide training opportunities to industrial-based workers to meet the needs of their respective industries, produce highly-skilled, competent, disciplined workers necessary for the industrial development of Mindanao and the country; provide job opportunities for the trainees in the Philippines and abroad; and conduct various community-outreach programs to provide quality work life to its employees.

CTC Company Foundation also assisted less fortunate students in finding scholarships to fund their tuition and board expenses. The Foundation provides scholarships from the following benefactors: CTC Company, TESDA, Local Government Units, and Congress. To provide scholarships to more students, the foundation created a student sponsorship program that encourages other companies, business entities, or individuals with charitable hearts to adopt student trainees and fund their studies and training expenses at CTC Foundations Technical and Vocational Learning Center.

Adopt-a-Trainee Program. CTC Company Foundation entered into a contract with sponsors to guarantee their commitment to sponsor one or more student trainees. For its part, the training center held screenings to accept trainees who needed financial assistance and could prove themselves dedicated to completing their chosen courses. The Training Center would then recommend passers to the sponsors in the program.

Encouraging Corporate Social Responsibility in Other Business Entities. Through the Adopt-a-Trainee Program, sponsors could conduct their corporate social responsibility (CSR) for sponsoring a trainee which gives them the advantage of having their contributions managed properly by an established foundation. Sponsors would be confident that their assistance provided long-term benefits to their beneficiaries. As their incentive, sponsors got the priority in hiring their sponsored trainees, should they wish to do so. To note, Sponsors stipulated in their contracts with the Foundation of the beneficiary requisite employment term (which should be three years or more) that must be honored by their sponsored trainees. As the stipulations of the contracts varied depending on the preference of the sponsors, trainees had the freedom to choose a company to work for upon completion of their

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course. Moreover, Sponsors allowed the CTC Company Foundation to decide for the company their beneficiaries were best suited for.

Employee Training. Companies could enroll their employees at the CTC Company Foundation and adopt them as their sponsored students. This training center had a reputation for conducting stellar training, offering relevant courses, and having complete facilities and equipment. Unsurprisingly, many local automotive businesses and trucking companies were interested in letting their workers undergo training conducted by this center, which is one of the leaders in the industry.

Effects on Marketing Strategies and Corporate Social Responsibility.

This study revealed that since 2002, the Corporation had applied its marketing strategies and product innovations which increased sales and the ability of CTC Company to expand its trading business in the southern part of the country. More significantly, the introduction of the CTC Company Foundation in 2008 helped and supported the Corporation in its internal and external responsibilities for its employees and the community specifically its stakeholders.

CONCLUSIONS

Through its innovative marketing strategies complemented by a unique Corporate Social Responsibility (CSR), CTC Company able to survive since 1992 and become one of the leaders in the trading business industry in southern areas of the Philippines through its Cagayan de Oro and Davao Branches. Moreover, through its modern way of assembly, conversion, body repair, and quality control techniques, the Corporation was able to supply and provide for the needs of its customers in terms of construction vehicles and equipment in an affordable manner. By offering quality products, providing outstanding customer service, and constantly innovating products for the customer's needs, the company expanded its business to other locations. With the employment of internal and external approaches of CSR, the Corporation succeeded in its marketing strategies and sustained in providing products which led to the expansion of the business in the southern part of the Philippines.

RECOMMENDATIONS

The company may continue its product innovations not only of its leading products but also of products that are less in demand. Besides, it should provide job opportunities not only in local but also in international regions. Lastly, Corporate Social Responsibility can be strengthened not only in Davao and Cagayan de Oro offices but also in branches of CTC Company in the southern region of the country.

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