

STRATEGIC PLANNING FOR EMOH RUO TINY HOMES OF ALFONSO, CAVITE

¹Madeline Jordan Reantas Villegas, ²Sheintel H Magbanua,
³Leon Maria Azrael Siasoco, ⁴Dr. Jimford Tabuyo

^{1.2.3.4}DE LA SALLE UNIVERSITY – DASMARINAS

College of tourism and Hospitality Management

Tourism Management

Abstract: This study was composed to help Emoh Ruo Tiny Homes of Alfonso, Cavite regarding their strategic planning. We have asked business owners towards their knowledge in business and strategic planning. The questionnaire will be guided based on the study and it involves qualitative research, Marketing Mix 4ps model

Keywords: Marketing Mix, Marketing Strategies, Business Owner.

I. INTRODUCTION

Alfonso, Cavite is now beginning to make its mark as one of the popular vacation spot in the South of Manila. Known for its cooler climate similar to Tagaytay, tourists and locals alike had sought refuge away from the heat and bustle of city living to go for relaxation and leisure. With this comes a high demand for relaxation and adventure sights within the area.

“Hotels and other supplementary are an integral part of tourists’ visit to a place and the services offered by them can make his/her visit memorable” (MoT formulates action plan 'Incredible India Bed & Breakfast /Home Stay Scheme', 2016). One of the booming businesses in Alfonso, Cavite nowadays is the themed Bed and Breakfast accommodations. “Current trends suggest that the 21st century will see increased growth in the global service sector” (Chen, Lin, & Kuo, 2012). However, in order to attract and create impact to patrons, the accommodations should offer uniqueness and attraction.

According to Eusebio, Carneiro, Kastenholz, Figueiredo, and Soares da Silva (2017) rural areas, which used to be productive places, are now being transformed into leisure and vacation spots for a diverse market. Iorio and Corsale (2010) claimed that the development and transformation of rural tourism is brought about by the need for a stronger economic activity in these areas.

Wang & Hung (2015) said that booming industry of B & B guest houses is mainly customer-based.

Alfonso, Cavite is an upland town situated at the south-western portion of the Cavite province and the 1st class municipality in the province of Cavite. Alfonso has 32 barangays and Palumlum is one of the barangays in Alfonso, also that is where Emoh Ruo Tiny Homes of Alfonso is located. Alfonso, Cavite is an agricultural land and virgin forest until the 17th century and the name of “ Alfonso “ is named after king Alfonso XII of Spain.

A family of three is putting up a Tiny Homes themed accommodation from what used to be a 3,300 square meter coffee farm in the Alfonso, Cavite. “Family-run establishments consist of small lodges or inns that are owned and operated by a host family” (Taylor & Taylor). The property would feature stand alone tiny houses for accommodation built from reclaimed and recyclable materials situated strategically near other known establishments like the Reptiland, Ginger Bread House, Almond Garden, Preciosa making the property more accessible whilst maintaining time offers the much needed privacy of its guests. Each house is made differently to suit the needs of the occupants. The décor and ambiance of the property exudes an appeal of a cottage country rustic charm. It also offers off-grid supply of electricity and other basic necessities. This experience will make guests realize that living in confined yet usable spaces is more practical and most importantly achievable.

“The tiny homes movement, also known as the "small house movement", is a description for the architectural and social movement that advocates living simply in small homes” (WIKIPEDIA, 2018). This new lifestyle change was recently popularized in America. It promotes simple, eco-friendly and off grid living experiences away from the hustle and bustle of commercialized living. “Because of the increased popularity of B & Bs, a range of services are now offered in the name of bed and breakfast” (Taylor & Taylor).

Food consumption of guests is also taken from within its daily produce like fruits, vegetables, eggs, coffee, livestock, etc. At the same time, guests can also get to experience interacting with farm animals by feeding, milking, etc.

With its mild climate, patrons would get to enjoy the pleasure of simple living through its relaxation and leisure activities. Guests include weekend getaway for families and travelers, tourists and team builders for small groups. There are planned and scheduled daily activities both indoors and outdoors. Indoor and outdoor activities would include coffee making, farm animals’ interaction, and bonfire activities. Team building activities are also available for small group bookings like mystery hunt, etc.

Tourism has particularly grown into one of the world’s industries and has also increasingly important. True the years, the Filipino tourism industry predominantly has kind of been primarily playing a fact key role in essentially promoting mutual faculty among nations, and as a helper of national and particularly economic utilization (buted, 2014)

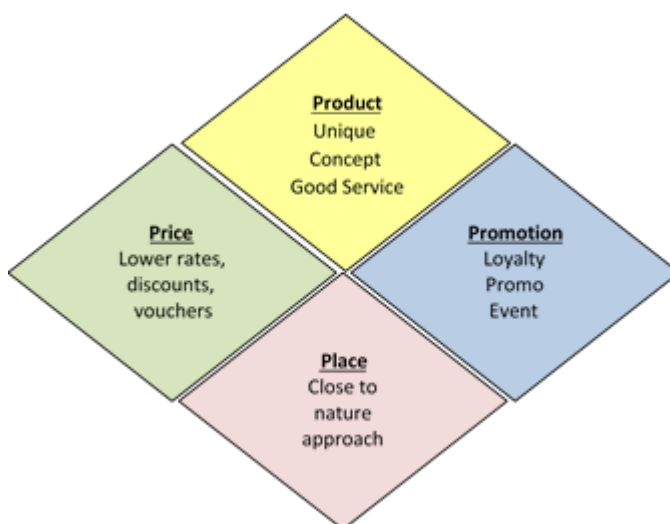
Marketing Mix is defined as a set of marketing tools that the company uses to pursue its marketing objective in the target market (Wikipedia, 2019). In layman’s term, this is simply define as putting the right product having the right price in the right place and time. This approach chose by the marketers will help the firm to reach their goals. It is a way of distributing budgets for the different elements of the marketing mix to reach the best results; and the challenge for marketers is to look for the right mix.



Figure 1. Research Paradigm

The motive of our statement of the problem is to develop the right Marketing Mix and Marketing Strategies to help the owner cope up with their competitors.

1. Marketing Mix approach applying the 4Ps model



The use of this tool is a good way of identifying and understanding the kind of products and services to use and offer; and what are the best approach to be able to achieve the goals. Putting all these in the right perspective will result in achieving the marketing targets of increasing sales and profits, and at the same time customer satisfaction.

2. Marketing Strategies



The internet, social media etc. plays a very significant role in the success of the business nowadays as we are on the era where communication and commerce via the internet became the focal point for businesses, customers, government and even media. It also marks the convergence of the computer and communications industries and their associated services and products. Thus, the presence of the business via internet, social media, etc. are a good tool for the owners as it offers an opportunity to interact with current and prospective customers in real time. At the same time, it keeps the readers updated on the current and upcoming events and promotions of the business. With the growing use of the Internet, the Web, Social Networking et al has become an indispensable and vital tool for tourists who are planning for vacation to areas that are not close enough to check out in person. This allows the potential guests to view and read essential details about what your B&B can offer. It can also provide information on regional activities which help increase the curiosity of the potential guests. This is why it is imperative that B&B site should be put on the most visited and well-used international and local guides.

II. METHODOLOGY

The research design is descriptive and purely qualitative. We will conduct an interview using expert sampling. The respondents are composed of 15 persons of authority in terms of marketing and promotions through interview. The answers will be analyzed to come up with a successful promotional strategy for B&Bs.

This study will be using a qualitative descriptive approach, wherein participants were chosen through purposeful sampling to give comprehensive information about effective marketing strategies being implemented in a Bed & Breakfast (B&B) set up in rural tourism in Alfonso, Cavite and other neighboring areas. "A qualitative description design is particularly relevant where information is required directly from those experiencing the phenomenon under investigation and where time and resources are limited" (Bradshaw, Atkinson, & Doody, 2017).

The participants will be interviewed using semi-structured interviews done on the site itself. The interview and the on-site observation will be done simultaneously.

In selecting the participants, we should determine a set of criteria that will enable us to obtain comprehensive and wide range of information for B & B rural tourism in Alfonso, Cavite.

The criteria of the participants are: (a) B&B business owners in Alfonso, Cavite and other adjacent vicinities, (b) B&B business should at least be one year in operation, (c) and participants should be personally involved in handling marketing and promotional strategies of the business.

This study will make use of direct observation and face-to-face interview of the selected participants wherein the researchers will primarily focus on two phases of data collection process.

Actual individual interview of the participants that will be audio-recorded and noted down. During this phase, the participants will be interviewed individually via audio-recording. During the course of the interview, the participants are expected to address the questions and provide further clarifications such as operations of the B&B, if necessary.

After the interview process, an ocular inspection on the site will be conducted by the researchers. Photo documentation will also be done to further support the information collected during the observation process.

There are ethical considerations to follow in the data collection process and the essential steps must be taken cautiously.

Provide a letter of intent to conduct research stating the background and the purpose of the study and how they can contribute to the current trend in strategic planning and/or marketing strategies in promoting B & B in rural tourist areas.

Consent to participate must be required and must be secured to ensure the good relationship with the participants.

The interview process formalities explain the purpose of the study and what it seeks to contribute in the development B & B rural tourism in Alfonso, Cavite; Participants must be informed whether there are risks and benefits that entails during the course of the study;

Describe the kind of information to be collected and mention whether the interview will be recorded and/or published;

Propose estimated length and coverage of the interview; suggest dates and timings when the interview might be conducted;

Provide the participants the researchers' contact information for future clarifications;

Entirely discuss with the participants the treatments and approaches that will be taken during the direct observation process; and Mention anonymity and confidentiality must be maintained by securing the participants identity and the data collected from them. Disclosure of certain information will be decided by the participants on whether they want to make their identity or contribution known.

Analyze and examine the transcribed copy of the recorded data by systematically arranging data to come up with fewer content categories. In qualitative research, content analysis involves tabulation, coding and categorizing of raw data to come up with recognizable and significant pattern that would explain and interpret the effectivity of the marketing mix and marketing strategies.

STATEMENT OF THE PROBLEM

Owning a B&B is a not an easy business to handle. It is not a simple business cycle as the meet and greet and provide the required services for your guests. There is a lot more than that.

The purpose of this study is to develop the most appropriate and suitable strategic planning approach that will enable the owner to cope up with the short and long-term challenges, demands in operating the B&B business. The purpose of the study is to answer the following questions:

1. What is the suitable strategic planning approach to use to become competitive and successful?
2. What are the day to day challenges of the operations?
3. Among the marketing strategies identified, which one is more effective in terms of cost and operations to produce more business.

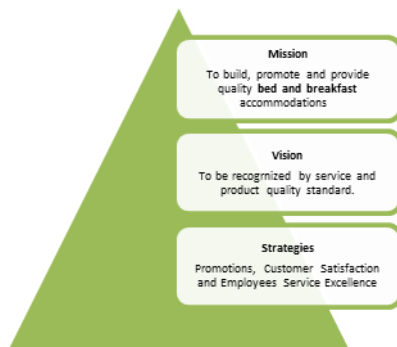
The business reacts and respond according to the internal factors within the company which impact the success and approach of the operations; managing the strengths of this internal operation will brings the business to success.

1. SOP 1 - Internal factors

Internal factors are those which the business has some control over such as management, finance, human resource, etc. Typically, one of the causes of business success is a well-managed internal factors, knowing what internal factors of the operation to prioritize will help the owner to succeed in running the business



Management - the key to business success is having the right formula in managing the day to day operation. Thus, the role of company leadership is very important factor to success.



Often, businesses provide a formal structure with its mission and vision statements to have a clearer direction and goals set for everyone.

Marketing - marketing efforts are important to keep the business afloat as it gets the message out to potential clients and entices them to give your business a try.

B&B owners may have a great product and excellent customer service, but if people don't know that the business exists, they are not going to have any sales. Thus, the success of a small business like B&B depends on the business owner's ability to market their products and services effectively.

For B&B Business, you can put more "heads in beds" for a bed and breakfast or boutique hotel by employing an integrated, content-focused bed and breakfast marketing strategy. (Q4 Launch, 2014).

The table below shows a simple marketing idea that can be applied:

Marketing			
Know the Area - What is the area famous for? - Is there any events that can call a crowd?	Enhance your Website -Make sure to use the right search engine for the correct target market	Social Media or Networking Importance of interaction with customer in a real time.	Email Marketing Customer feedback and ratings

As long as you manage to uphold these positions, you will have a successful business. Communicate with your clients and customers regularly and listen to them is the key to ensure your marketing efforts are effective.

Research Development - plays a critical role in the innovation process. It's essentially an investment in technology and future capabilities which is transformed into new products, processes, and services. (Incremental Innovation)

The role of this department is to:

- ✓ Develop new product that can give an edge amongst its competitors.
- ✓ Improve the quality of its product.
- ✓ Enhance the product and processes in an efficient and effective manner.
- ✓ Identify market gaps to achieve the target.

Human Resource - HR Department is critical to a customer and service oriented business such as B&B. Why? As they make sure that the employees are well educated, experienced and highly competitive.

Employees performance in terms of service plays a vital role for any business to succeed; coz' it increase customer's loyalty, generate positive word of mouth, builds the business' good reputation and the positive list of actions will go on and on.

Thus, HR is critical to the business to constantly check employees' performance, if they are motivated, hard-working and satisfied. As we all know, "Employees satisfaction is important as it will reflect in their attitude and performance thus, producing a very positive results".

Also, HR needs to make sure that employees and departments collaborate on ideas and resolutions to achieve the common targets and interests.

Finance - financial management is one of the most important responsibilities of owners and business managers. They must consider the potential consequences of their management decisions on profits, cash flow and on the financial condition of the company. The activities of every aspect of a business have an impact on the company's financial performance and must be

evaluated and controlled by the business owner. (Woodruff & Reviewed by Michelle Seidel, 2019).

If the financial side of a business is being planned accurately, owner will be able to track the progress of the business in terms of profit and cash surpluses. Accurate financial documents will allow the owner to monitor the cash flow and see when there's enough retained profits to expand and improve the business.

Sampson Quain mentioned in his article that "Internal factors have a huge effect on the success or failure of a business. Business owners can't control external factors, but they must be able to anticipate and adjust to these factors to keep their organizations on track. However, business owners and leaders do have significant influence over internal factors that affect a business and how they handle these internal factors will have a major impact on the future of their companies". (Quain, 2018).

2. SOP 2 - Internal factors

Porter's Analysis is an important tool to understand the forces that shape the competition within the industry. It is also vital to help owners to adjust the strategy to fit in to the competition.

Indicator likert:

4-Very High

3-High

2-Low

1-Very Low

Weighted mean likert:

3.50-4.00 Not competitive

2.50-3.49 Less competitive

1.50-2.49 Competitive

1.00-1.49 Very competitive

1) Rivalry

Indicator (Competitors)	Rating	Interpretation
Adequate competitors	3	High
Limited facilities and services compared to competitors	3	High
Rate is high compared to competitors	1	Very Low
Competitors are proactive & highly committed to the business, has a vision to become a major player	3	High
Industry is growing rapidly	3	High
Product/Concept uniqueness	1	Very
Weighted Mean	2.33	Competitive

1) *Supplier*

Indicator (Product Supply)	Rating	Interpretation
Plenty of supplies in the market	1	Very Low
B&B owners regularly use the same supplies	2	Low
Supplies are order by bulk	1	Very Low
Owners do not care if they use different brand	3	High
Weighted Mean	1.75	Competitive

1) *Customer Power*

Indicator (Hotel Rooms & B&B Concept)	Rating	Interpretation
Rooms are used to relax & enjoy quite time	3	High
Requires room facilities like TV, Internet, etc.	3	High
Want peaceful & serene environment	2	Low
Offers unique concept	1	Very Low
Weighted Mean	2.25	Competitive

1) *Threat of Substitute*

Indicator (Hotel, Inn, Lodge, etc)	Rating	Interpretation
Easy access	3	High
Many amenities to offer	4	Very High
Competitive Rate	3	High
Weighted Mean	3.33	Less Competitive

1) *Threat of New Entrants*

Indicator (Hotel, Inn, Lodge, etc)	Rating	Interpretation
Customers show a strong preference for the products and/or services for the existing companies	3	High
Government will implement stricter rules as Industry is growing fast.	3	High
Existing companies can offer lower cost than the new entrants	2	Low
Weighted Mean	2.66	Less Competitive

3. **SOP 3 - Strengths & Weaknesses**

The tables below illustrates the Strengths and Weaknesses for Emoh Ruo Tiny Homes of Alfonso, Cavite

STRENGTHS

- ✓ Unique business concept
- ✓ Owner is a seasoned hotelier and has the passion to run the business.
- ✓ Good knowledge of the hospitality industry.
- ✓ Suitable location. It is located near the well-known tourist destinations in Tagaytay and has two neighboring themed parks.

- ✓ Business environment and ambiance can provide guests a total package of relaxation that they desire, a cool weather, quiet, undue disturbance and close to nature approach.
- ✓ Good understanding of customer needs and preferences.
- ✓ Owner is credit worthy.
- ✓ The surroundings still not over populated quiet, undue disturbance and close to nature approach.
- ✓ quiet, undue disturbance and close to nature approach.
- ✓ Good understanding of customer needs and preferences.
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The surroundings still not over populated Good understanding of customer needs and preferences.

Owner is credit worthy.

The surroundings still not over populated

OPPORTUNITIES

- ✓ Trend due to its uniqueness and close to nature concept.
- ✓ Continous growth of the industry within the area.
- ✓ Opportunity to expand business like spas, café's, gym, etc.

Opportunity to utilize some portion of the land to convert into commercial area such as boutique or souvenir shop.

THREATS

- ✓ Strong competition amongst experienced and established B&B owners and/or hospitality owners.
- ✓ Existing hospitality owners that offers a larger and luxurious B&B Accomodations within the area.
- ✓ Ever increasing competition from the mushrooming B&B, Inns, Guest Houses and Lodges and even Hotels.
- ✓ As this kind of business is growing rapidly, there is a possible implementation of strict regional law for B&B business.
- ✓ Possible increase in the interest rates which make loans very difficult for small businesses.
- ✓ Threat from indirect competitions.
- ✓ Needs and preferences of customers continuously changing.

SOP 5 - Alternative Course of Actions

Leverage the Strength	<ul style="list-style-type: none"> ✓ Owners have to implement efficient and effective financial management control systems to ensure proper management of the resources of B&B. This will also include in minimizing the expenses while maximizing the income. ✓ All important decisions affecting the B&B should be discussed and evaluated by the team. ✓ Owner should look for ways to continuously improve service and how to increase the occupancy rate.
Mitigate the Weakness	<ul style="list-style-type: none"> ✓ Owner to seek or raise funds to maximize the extra land use for additional accommodation units. ✓ Business strategy needs to enhance or improve to give the operation an edge with the competitors.
Capitalize the Opportunities	<ul style="list-style-type: none"> ✓ Develop future plans which will serve as an important platform in the business expansion. ✓ Expansion of accommodation to capture opportunities available in the hospitality industry.
Avoid Threats	<ul style="list-style-type: none"> ✓ Enhance customer satisfaction to ensure customer retention. ✓ Create or improve customer loyalty by adopting customer intimacy as important principle.

III. CONCLUSION

The growth of B&B business in the area of Alfonso, Cavite stimulates the competition through various customer demand; because the remoteness of the place, demand for B&B business is greater rather than luxury hotels in this area. The rapid growth of this type of business demands owners to have a comprehensive business plan (including a very strong marketing mix and marketing strategy) to make sure that the B&B is within the range of the competition.

This study reveals that EMOH RUO currently is still within the competition against its rivals owners but owners are given a red flag to be proactive in terms of their marketing strategy to maintain its status in this type of business. Moreover, there is no way that all challenges, and gaps will be investigated and evaluated by one academic research but these findings will pave way to do further research on the B&B Industry.

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