

Spa and Massage Clinics in Nueva Ecija, Philippines: Competitive Position Using Porter's Five Forces Model

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Abstract: The study delved on analyzing the competitive position of the spa and massage clinics in the cities of the province of Nueva Ecija, Philippines using Porter's five forces model. As this industry has begun flourishing in the recent years, the researcher became interested in further identifying its strengths and weaknesses and opportunities in consideration for a personal business venture. The results derived from the study can be important to would-be entrepreneurs and those currently engaged in this business especially in their decision-making processes. This research paper used the descriptive research design which involved thirty-eight spa and massage clinics in the four key cities in Nueva Ecija. In analyzing the level of competition, Porter's five forces framework was employed using the Likert scale with the verbal analogy from very low, low, moderate, high, to very high. Findings revealed that the threat of entry of new competitors got a high score from the respondents. This indicates that this kind of undertaking can still be lucrative under the current setup. Bargaining power of therapists was moderate which suggested that therapists may still hang on to their job. Threat of substitute services was high; an indication that such can be easily duplicated, hence of little difference. Rivalry among competing firms was high which could signal the existence of competition between the industry players. Survey further revealed that consistency and attitude of massage therapists defines the future of this sector.

Keywords: Porter's five forces model; spa and massage clinics; massage therapists; competitive position; bargaining power; substitute; rivalry.

1. INTRODUCTION

The oldest known massage clinic in Nueva Ecija dates back several decades ago. Back then, going to a message clinic for relaxation was not socially acceptable to many. As a matter of fact, males were the only customers. Considering our Filipino culture which creates a negative perception or connotation when someone would visit a massage clinic, it was, by and large, improper for females to avail themselves of the service.

As time passed by, and until the middle part of 2000, investors began opening massage parlors more particularly in the area of Cabanatuan. This was more a test whether there would be a demand for this service or whether this demand would be sustainable in the long term. The researcher happened to know this history when her nephew opened a massage clinic more than a year ago.

The researcher actually got interested in putting up this kind of business sensing there was a demand for this service, and therefore translates this into potential income. She estimated that with the current trend, she would recover her investment in so short a time.

However, investing a certain amount, no matter how small may be the capital requirement, would need careful analysis of the situation which includes who the customers are, what their expectations will be, the manpower needs and where to source them, what kind of services and facilities to be offered, or would there be a demand if the place of business is to be

situated elsewhere. What aggravated more the researcher's doubt as regards the operation of this business was the researcher's experiences of the somewhat dissimilar or inconsistent delivery of performance of the massage therapists that led at times to her frustration. These are but a few of the questions that have been haunting the researcher if the investment would be worth or not for this kind of venture.

Hence, this has prompted her to dig deeper into the practices and conditions of the industry which could give her a hint on the extent of competition, and how the players in the industry react to these forces in order to sustain their operation.

Competition, changing demographics and shifting consumer purchasing patterns have also increased as compared several decades ago. The intensity of competition in this sector can also dictate the profit potential of the players in the industry. It is assumed that others may be enjoying superior advantage because some of them were franchised. As far as she could recall, a few of the spa and massage clinics had even ceased operating, but notable observation from the current trend gave her the impression that indeed the industry is profitable.

The researcher noted that even though this industry is an attractive market place, it does not mean that all of them will experience similar success levels. Rather, the unique service offerings, selling propositions, strategies and processes will put one massage parlor over another.

2. OBJECTIVE OF THE STUDY

The objective of the study is to:

1. Analyze their competitive position using Porter's five forces model in terms of the following:
 - 2.1 threat of entry of new competitors;
 - 2.2 bargaining power of therapists;
 - 2.3 bargaining power of customers;
 - 2.4 threat of substitute products/services; and
 - 2.5 intensity of rivalry among competing firms

3. METHODOLOGY

The researcher used the descriptive method of research. It attempted to describe the current position of the industry using Porter's five forces competitive analysis model. This study was conducted in the four cities of Nueva Ecija: Cabanatuan, Gapan, Munoz and San Jose.

The study involved thirty-eight (38) spa and massage clinics in Nueva Ecija. The main instrument used in this study was the survey questionnaire which was intended for spa and massage clinic's owner/owner-manager or manager as respondents.

Respondents were asked to answer the given items in the questionnaire in accordance with the practices, observations and perceptions that best apply to their business. Each of the questions given was explained vigorously by the researcher to arrive at the best answer. Questions were rated from (1) very high, (2) high, (3) moderate, (4) low and (5) very low. The response mode used criteria to describe the threat of entry of new competitors, bargaining power of therapists, bargaining power of customers, threat of substitute products or services and intensity of rivalry among competing firms. In each item were five descriptors which the researcher made to further determine the degree of scale-ordered response from very high to very low. It used the scoring guide below opposite the numerical value and corresponding verbal analogy to assess the competitive position of the item in question.

4. FINDINGS

1. Competitive Position of the Spa and Massage Clinic Business using Porter's Five Forces Model The competitive position using Michael Porter's five forces model of the spa and massage clinics in the four cities of Nueva Ecija investigates the threats of entry of new competitors, bargaining power of supplier-therapists, bargaining power of customers, threats of substitute products/services, and intensity of rivalry among competing firms^[1].

Threat of Entry of New Competitors:

Table 1 shows the items considered under the threat of entry of new competitors, the weighted mean for each item and the verbal interpretation equivalent.

Table.1: Threat of Entry of New Competitors

1.Threat of Entry of New Competitors	City				W.M.	V.I.
	Cab.	Gapan	Munoz	San Jose		
a. Loyalty of customers remains	4.31	4.00	4.50	3.90	4.18	High
b. Duplication of business	3.82	3.71	4.00	3.78	3.82	High
c. Big capital, many regulatory requirements needed	4.14	4.43	3.50	4.87	4.24	Very High
d. Price contraction upon entry of new competitors	4.34	4.24	4.50	4.80	4.47	Very High
e. Entry of new competitors continues	4.25	4.14	4.50	4.45	4.33	Very High
Average W.M.					4.21	Very High

WM = Weighted Mean

VI = Verbal Interpretation

The item loyalty of customer’s remains got a weighted mean of 4.18 with verbal interpretation of high. This category can be further described as *customers have remained loyal* to avail of the spa and massage clinics’ services. This indicates that customers would not easily switch or transfer to other spa and massage clinics alleging that they have trained massage therapists. Thus, regardless of the many choices for similar service offered in the market with almost similar price levels, loyalty was high in this respect.

The item duplication of business got a weighted mean of 3.82 with verbal interpretation of high. This category can be further described as this kind of business *has big chance* of being duplicated. This further implies that this sector can be penetrated by (new) competitors. However, products/services offered by spa and massage clinics in Nueva Ecija have the same service and price offerings, hence competitive advantage can only be gained thru differentiation.

The item big capital, many regulatory requirements needed got a weighted mean of 4.24 with verbal interpretation of very high. This category can be further described as *huge capitalization and enormous regulatory requirements are needed* to put up this kind of business, and therefore deter new competitors from penetrating the market. Many of the respondents believed that the amount of capital requirements in establishing this kind of business would discourage investors or new entrants from entering this sector. However, amount of capitalization may depend on what the owner has in mind or will provide customers, and the available money to be invested in this undertaking. Likewise, government policies can limit or prevent new competitors from entering the industry through licensing and other regulatory requirements. Survey revealed that current requirements from governmental and concerned agencies were still manageable, and is seldom a hindrance if new investors would come in.

The item price contraction upon entry of new competitors got a weighted mean of 4.47 with verbal interpretation of very high. This category can be further described as price or prices *have high chance of contracting upon entry* of new competitors. This connotes that prices will be reduced or deflated if competition becomes too stiff especially upon the entry of new players. Impacts of competition can drive prices down. Cutting tremendously on price if only to eliminate competition/competitors or to stay afloat may not be a sound business decision Seldom does this practice prove to be beneficial to the company in the long run as price wars tend to shrink potential profit, while keeping still fixed operational costs. Setting a price that is too high or too low will limit business growth. At worst, it could cause serious problems that can extremely affect sales and cash flow.

The items under threat of entry of new players in the business continue got a weighted mean of 4.33 with verbal interpretation of very high. This described as *entry of new competitors will not cease*. Respondents strongly believed that the new players would definitely enter the business. They further added that competitors would likely enter the industry especially when they sense that this kind of business is profitable. On the contrary, respondents argued product or service differentiation could make the business more competitive because of the tendency of the current players strengthen their competitive advantage.

Overall weighted mean for the threat of entry of new competitors is 4.21 which is categorized as very high. There is an indication of a very high threat on the five (5) items considered under the category entry of new competitors. It can be noted that customer loyalty retention, legal business being copied, huge amount of capitalization and documentary requirements, price contraction and continuing entry of new competitors pose a threat to the current players in the industry. Such scenario may alter the way this business of spa and massage clinics is being done so as to cope with competition.

Bargaining power of supplier-therapists:

Massage therapists have great influence in this kind of business primarily because the outcome of their performance will determine repeat business on the part of the spa and massage clinics. Hence, they can affect the spa and massage clinics' operation.

Table 2 describes the respondents' competitiveness in the business using Porter's five forces model which is bargaining power of therapists; thus,

Table.2: Bargaining Power of Therapists

2. Bargaining Power of Therapists	City				W.M.	V.I.
	Cab.	Gapan	Munoz	San Jose		
a. Rampant turnover of therapists	3.59	3.00	3.82	3.11	3.38	Mod.
b. Attitude of therapists affects work performance	3.82	3.71	4.0	3.5	3.76	High
c. Therapists' quality of work hard to quantify	3.73	3.28	3.5	4.0	3.62	High
d. Scarcity of qualified massage therapists	4.14	3.35	3.5	3.80	3.70	High
e. Therapists' work response influence business	4.5	4.85	4.5	4.1	4.49	Very High
Average W.M.					3.79	High

WM = Weighted Mean

VI = Verbal Interpretation

The item turnover of massage therapists rampant got a weighted mean of 3.38 with verbal interpretation of moderate. This can be further described as *turnover of massage therapists is somewhat controlled*. With reference to Porter's bargaining power of suppliers, this study specifically pertains to the massage therapists instead of the suppliers of products, i.e. source of raw materials, because therapists are the necessary input in this sector, and thus wield a significant power in this business. Employee turnover would then refer to the number or percentage of workers who leave an organization and are replaced by new employees. This was the definition used by the researcher in this section.

One of the factors why employee turnover could be widespread in the industry was because they wanted bigger share of the earnings, hence the tendency to transfer to other workplace who could offer better benefits and attractive incentive. In some instances, they were suspected to have been pirated by other spa and massage clinics. Note that almost all of them pay their massage therapists on a per piece rate. Of the surveyed firms, current salary scheme paid to massage therapists mostly lie between the bracket 40%-below commission. Therapists interviewed have claimed it could be as low as 20%-below. Average number of clients being served by each therapist was estimated at 3-4 daily. In any given situation when salary becomes the motivational factor which directly affects employee productivity, it can reduce or increase the competitive advantage of the firm.

The item work attitude of therapists got a weighted mean of 3.76 with verbal interpretation of high. This can be further described as *massage therapists' attitude always affects work performance*. Massage therapists' attitude and behavior have a bearing on the performance of their work. Current industry experience indicated high incidence of misdemeanor emanating from massage therapists like not reporting for work on time to absenteeism. On the work-related side, a customer who was interviewed by the researcher complained of the therapists' incompetence because the same was putting deep tissue pressures on vulnerable areas unmindful which body parts should be avoided. Interview with some massage therapists admitted that sometimes they felt low; hence, their performance suffered, too. The causes given were physical stress, personal, family or financial problems. In reality, the above condition and practices if prevalent can make this industry less competitive since success rests on the quality of work of the massage therapist/s.

The item massage therapists' quality of work hard to quantify and monitor got a weighted mean of 3.62 with verbal interpretation of high. This can be further described as massage therapists' *quality of work is always hard to quantify and monitor*. Performance of their massage therapists was found to be quite hard to measure; hence, any negative repercussion from their customers could greatly affect their operation, i.e., sales suffer. Consequently, the chance of repeat business would be likely nil. Massage therapists can actually damage the reputation of even the most efficient organization.

The item qualified massage therapists scarce got a weighted mean of 3.70 with verbal interpretation of high. This can be further described as *qualified massage therapists hard to find*. Other spa and massage clinics have their own in-house trainings to which they subject potential massage therapists for several sessions before they finally field them to actual work.

Findings further revealed that seldom do owner-respondents require the therapist applicant a TESDA certificates as required by the DOH. Chapter XXIII for Massage Clinics and Sauna Baths Establishments of the Code of Sanitation of the Philippines, Section 9.1.1, states that no person is authorized to practice massage therapy in the Philippines without holding a valid certificate of registration for masseur issued by the Committee of Examiners for Masseurs and approved by the Secretary of Health. In the event the Philippine regulating agency imposes hard on this sector the rules and regulations as to qualifications of therapists, competitiveness of firms engaged in this business will be put into peril.

The item work response of massage therapists influence business got a weighted mean of 4.49 with verbal interpretation of very high. This category can be further interpreted as *therapists have great influence on business* i.e., performance of therapists. This actually impacts on customer satisfaction, and ultimately leading to high or low financial performance of any business entity.

Overall weighted mean for this category bargaining power of therapists is 3.79 with a descriptive value of high.

Findings indicate immense turnover of massage therapists in the industry. Likewise, their attitude or indifference toward work and quality of performance remained to be the problem because of scarcity of qualified and dedicated therapist in as much as their activities are hard to quantify or measure once they are inside the massage room already. Hence, work output can thus be correlated with the success of the operation in this kind of business. Therefore, therapists play a big role in maintaining the image of the company and demand creation from customer.

Bargaining Power of Customers:

Respondent's competitiveness in the business used in spa and massage clinic under bargaining power of customers include preference for lower price service, preference for wider service offerings, preference for clean, safe and comfortable place, preference for complete facilities and preference for quality of service.

Table.3: Bargaining Power of Customers

3. Bargaining Power of Customers	City				W.M.	V.I.
	Cab.	Gapan	Munoz	San Jose		
a. Preference for lower price service	4.18	4.28	4.50	4.14	4.27	Very High
b. Preference for wider service offerings	4.04	4.18	4.50	3.82	4.13	High
c. Preference for clean, safe and comfortable place	5.0	5.0	5.00	5.0	5.0	Very High
d. Preference for complete facilities	4.59	4.57	5.00	4.0	4.54	Very High
e. Preference for quality of service	4.04	4.11	4.50	4.04	4.17	High
Average W.M.					4.42	Very High

WM = Weighted Mean

VI = Verbal Interpretation

Weighted mean for the item customers' preference for lower price service is 4.27 with verbal interpretation of very high. It can be further described as *customers always look for lower price service*. The bargaining power of customers becomes intense when they sense there is a small demand for the service, and more so if there are many players in the industry who offer the same service especially if the situation is under competitive pressure. The customer knows the undifferentiated product or service and tends to compare prices. Sometimes strong customers will insist on extra service requirements like additional service for the same price, or will start comparing prices of other providers. They want to add as much value as possible. This can be a major threat to the industry as this can decrease a firm's profitability.

Weighted mean for the item customers' preference for wider service offerings is 4.13 with verbal interpretation of high. It can be further described as *customers always look for wider* service offerings. In the past, customers sought only plain body massage, but as players continue to penetrate the market and they came in offering a variety of services like foot and hand massage, hair treatment included, customers have become demanding. For most of them, competitive advantage for a company means not just matching or surpassing what competitors can do, but discovering what customers want and then profitably satisfying, and even exceeding, their expectations.

Weighted mean for the item customers' preference for clean, safe and comfortable place is 5.0 with verbal interpretation of very high. It can be further described as customers definitely seek for clean, safe and comfortable place.

Competitive advantage for many of spa and massage clinics would rely on the unique features of the place offered that are perceived superior to others in the industry. This is partly the reason behind brand loyalty why a customer would prefer one product or service over another.

Weighted mean for the item customers' preference for complete facilities is 4.54 with verbal interpretation of very high. This can be further described as *customers definitely pursue* spa and massage clinics with complete facilities. Customers are always on the look for better facilities if not a complete one. Contrastingly, some respondents said that this requirement is more an opinion: that lesser facilities would discriminate them from what other firms have. They pointed out that customers do seek for their service and not really on whether their facilities are complete. This does not lessen the demand for their service.

Weighted mean for the item customers' preference for the quality of service is 4.17 with verbal interpretation of very high. It can be further described as *customers always opt* for the quality of service. Customers interviewed said that their primary consideration in going to spa and massage clinics is the kind and quality of massage they offer and the expectation of superior service therapists would provide. They said that of the spa and massage clinics they tried, those with (brand) names or franchised ones have maintained the quality or are consistent in providing the service.

Overall weighted mean for this item is 4.42 which got a descriptive value of very high. Hence, it implies that customers can influence and put pressure on the pricing these spa and massage clinics offer especially if there are many players in the industry offering similar service. As customers become demanding, the possibility that they can influence the owners to give in to their request is high. They will always look for lower price and wider service offerings, comfortable and safe place, complete facilities, and will go after the quality of service.

Threat of Substitute Products/Services:

Threat of substitute products/services are those products and services that are available in other industries that meet an identical or similar need for the end-user or customers. This is the definition given in the competitive analysis matrix in Porter's five forces framework ^[3]. Further, it can be described that as more substitutes become available and affordable, the demand becomes more elastic since customers have more alternatives.

Table 4 describes the respondent's competitiveness in the industry using Porter's five forces model in threat of substitute products/services; thus,

Table.4: Threat of Substitute Products/Services

4. Threat of Substitute Products/ Services	City				W.M.	V.I.
	Cab.	Gapan	Munoz	San Jose		
a. Newer approach in massage replacing current form	3.82	3.50	3.50	3.00	3.46	High
b. Shifting to lower-priced service, but of the same performance	4.14	4.28	4.50	5.00	4.48	Very High
c. Preference for traditional form of massage	4.04	4.85	3.50	4.02	4.18	High
d. Current practice substituted by other forms/ styles	3.86	3.43	3.50	3.50	3.57	High
e. Customer service will be made more personal	3.91	3.29	3.50	3.50	3.55	High
Average W.M.					3.84	High

WM = Weighted Mean

VI = Verbal Interpretation

Weighted mean for the item newer approach in massage therapy replacing present concept is 3.46 with verbal interpretation of high. This can be further described as *newer approach* in health wellness to *replace* the current concept of spa and massage practice. Both firms and customers were aware of the possibility that newer approach could change the landscape of current practice of spa and massage concept. Others were wary that traditional method where hands are used would be replaced soon. Fast-changing technology, shift in consumer demographics, new marketing strategies, people will be looking for something new, and the desire of firms to develop their products/services attuned with the times.

Weighted mean for the item customers shifting to lower-priced service, but of the same performance is 4.48 with verbal interpretation of very high. This can be further described as customers *will definitely switch* to lower price service, but of same performance. Customers would choose service at a lower price, but of the same quality and value. Often do manager-respondents encounter customers asking for discounts, promos and freebies, a common scenario in the Philippines?

The item customers' preference for traditional form of massage got a weighted mean of 4.18 with verbal interpretation of high. It can be further described as *customers opt for traditional form* of massage. Both owners and managers of the spa and massage clinics agreed that customers still opt for the customary massage

The item current practice substituted by other forms/styles got a weighted mean of 3.57 with verbal interpretation of high. This can be further described as the current practice of massage offered *would be replaced/substituted soon* by other forms/styles. The different marketing strategies competitors make would little by little or in no time result in new products/services that would come in different styles and forms. Firms said there would be variations only on the service offerings; otherwise, traditional form of massage would stay.

The item customer service made more personal got a weighted mean of 3.55 with verbal interpretation of high. This can be further described as customer *service approach would be made more personal*. As observed by the researcher during her acquaintance with the employees inside the massage parlor and in her interaction with massage therapist, she noticed the somewhat mechanical or animated response with which they treated her. She sensed this may not be a good public relation as this style alienates customers. At the outset, treating a customer with care can be a good marketing strategy.

Overall weighted mean for this item is 3.84 which is high in category. Hence, it can be deduced that product/service substitute is high in this item primarily because of the fast-changing technology which can alter the current concept of massage. There is always the danger of the customer choosing lower-priced service, but of same performance which can be done by modern therapeutic machine. However, many spa and massage clinic owners believed that traditional massage would stay and that not sooner it would be replaced. The evolution of the different types and kinds of body massage was a product of marketing strategies – from old to new ones - and is a matter of how a company packages a product or service.

Intensity of Rivalry Among Competing Firms:

The spa and massage business as well as beauty and wellness industry subject of the current study can be considered a fragmented one because many are small to medium firms. Many of them are individual firms and some are chains or branches. This means customers have a wide variety of choices because they can easily change amongst competitors. Moreover, the intensity of rivalry among competitors in an industry puts pressure on one another and limits each other's profit potential.

Table 32 describes the respondent's competitiveness in the business using Porter's five forces model which is rivalry among competing firms; thus,

Table.5: Intensity of Rivalry Among Competing Firms

5. Intensity of Rivalry Among Competing Firms	City				W.M.	V.I.
	Cab.	Gapan	Munoz	San Jose		
a. Industry players outsmarting each other	3.25	3.57	3.00	3.50	3.33	Mod.
b. Competition is intense at present	3.95	3.57	3.50	4.14	3.79	High
c. Distinct service & superior facilities	4.41	4.0	3.50	4.05	3.99	High
d. Price contraction upon entry of new competitors	3.77	3.57	3.00	3.50	3.46	High
e. Cost of maintenance and operating expenses affect profit	3.77	3.71	3.00	4.20	3.67	High
Average W.M.					3.65	High

WM = Weighted Mean

VI = Verbal Interpretation

The item players outsmarting each other in the industry got a weighted mean of 3.33 with verbal interpretation of moderate. This can be further described as industry players *occasionally outsmarting each other*. Respondents were quick to react that one way to outsmart each other is thru strategizing – they try to make their services different from that of their competitors. They disclosed that they concentrated on the quality of their service, i.e., the capability to create brand image - a unique one as this creates more value to the customers and a possible repeat business. Equally, gaining advantage over competitors would be costly, and pricing of services would be relatively close to that of the rival competitors which could later be a disadvantage.

Respondents' scores got a weighted mean of 3.79 with verbal interpretation of high in the item competition is intense at present. This can be further described as *there is currently intense competition*. Firms claimed there is rivalry in price and services being offered by competitors. This is evidenced, they asserted, by the heavy promotion like intensive marketing and bundling of price and services. They said it is common that they study the strengths and weaknesses of their rivals, while trying to defend and maintain their strengths.

The item distinct service and superior facilities got a weighted mean of 3.99 with verbal interpretation of high. This can be further described as *distinct service and superior facilities an advantage* for the players in the industry. Superiority in the variety and quality of services available and distinctive advantage of each spa and massage clinic would definitely have an influence in their profitability and survival. Some respondents opposed that facilities would have influence on the choice of customers, but insinuated still they have a bearing. Price, superior service, accessibility and safety may have more bearing on the buyer's decision, they vehemently claimed. The researcher further observed that those spa and massage clinics operating under a franchise agreement were in the advantageous position because of the stringent requirements where procedures and methods, monitoring, policies included, have to be followed strictly. Additionally, franchisors are strict on implementing what design and facilities, among others, are appropriate for the franchisee.

The item price contraction upon entry of new competitors got a weighted mean of 3.46 with verbal interpretation of high. This can be further described as *big price cuts upon entry* of new competitors. Considering that customers have more choices because of the many players in the industry, this often leads to price war. Hence, there is the tendency of competitors to lower their prices, too, especially upon entry of new competitors.

The item cost of maintenance and operating expenses affect profit got a weighted mean of 3.67 with verbal interpretation of high. This can be further described as cost of maintenance and operating expenses *has a big effect on profit*. Some spa and massage clinics surveyed admitted experiencing at any time a slowdown in the demand for their products/services. In other words, as sales decline, overheads will probably remain unchanged; hence, a reduction in the firm's profitability.

The overall weighted mean for the intensity of rivalry among competing firms is 3.65 which is high in descriptive value. It can be deduced that heavy competition *can be a threat at present* primarily because of the many players in the industry, but creating a niche in the market can make a difference; i.e., superior product/service and cost differentiation. The latter would have to focus on the firm's operating expenses. Hence, losses can be avoided. Price cuts may not be the immediate solution, but controlling costs can be the best alternative to stay profitably in the business.

In essence, competition is always present in any industry at any point in time. That is why assessing the situation and employing strategies are always at hand to beat competition.

5. CONCLUSIONS

1. Firm's competitiveness in the industry using Porter's five forces model.

Threat of entry of new competitors: A very high category for this item indicates it is easy for competitors to enter the industry.

Bargaining power of therapists:

A high category for this item suggests that therapists' influence is powerful enough to affect the operation of the business.

Bargaining power of customers:

A very high category suggests that customers have more bargaining power to dictate their terms and can drive down prices.

Threat of substitute products or services:

A high category suggests that since products/services can be easily substituted or duplicated, a shift to new approach is very likely, hence a threat to the industry.

Intensity of rivalry among competing firms:

A high category means there is intense competition at present among the industry players of the spa and massage clinics, and this puts pressure on one another and limits each other's potential profit and market share. Thus, this shapes the competitive structure of the industry.

6. RECOMMENDATIONS

Based on the foregoing findings and conclusions, the following recommendations are offered:

1. A similar study be conducted so a more accurate picture of the spa and massage industry in Nueva Ecija, Philippines can be used as reference for planning and decision-making particularly by the concerned government agencies.
2. for the city government to strictly apply legal measures in the operation of spa and massage business in the locality for the protection of the business and customers as well.
3. for the staff and/or massage therapists to follow strictly the procedures of massaging to avoid future legal suits.
4. for the staff and massage therapists to avail of the DOH and TESDA National Examination so that they will become a licensed massage therapist. Better still, accreditation and/or affiliation is a must for regulation/compliance and recognition.
5. For the owner of spa and massage clinics to provide feedback or satisfaction forms to be filled out by customers right after the services to monitor and control the quality of services given by their massage therapists.
6. for the owner to provide acceptable incentives/benefits to motivate employees.

ACKNOWLEDGEMENTS

The researcher would like to thank her family, the NEUST administration, her CMBT family, and the owners, managers and massage therapists of the spa and massage clinics in Nueva Ecija, Philippines.

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