

Emergence of “Made in China” Products in Local Markets in Cabanatuan City

Ali G. Mamaclay, Gener S. Subia*, Ryan John L. De Lara, Marietta B. Agustin, Maridel V. Eslao

Wesleyan University Philippines, Cabanatuan City, Philippines

Email: *subiagener@yahoo.com

How to cite this paper: Mamaclay, A. G., Subia, G. S., De Lara, R. J. L., Agustin, M. B., & Eslao, M. V. (2020). Emergence of “Made in China” Products in Local Markets in Cabanatuan City. *Open Journal of Social Sciences*, 8, 24-32.

<https://doi.org/10.4236/jss.2020.83004>

Received: February 13, 2020

Accepted: March 3, 2020

Published: March 6, 2020

Copyright © 2020 by author(s) and Scientific Research Publishing Inc. This work is licensed under the Creative Commons Attribution International License (CC BY 4.0).

<http://creativecommons.org/licenses/by/4.0/>



Open Access

Abstract

This study described and determined the presence of the “Made in China” products and its impact on the tiangge business in Cabanatuan City. The findings of the study revealed that most of the respondents acquired their knowledge in tiangge business from their parents, in which Ready To Wear (RTW) was the type of product that was mostly being sold. Moreover, the nature of tiangge business was mobile vending, with a rental fee of ₱1000 - ₱5000. The primary sources of products were suppliers, with ₱4001 - ₱6000 estimated daily earnings and spent 6 - 8 hours of vending. Furthermore, the respondents affirm that tiangge business contributed to their life sustenance by sending their children to well-known schools, secured life insurance, able to buy a parcel of land and buy their own pick-up truck and vehicle and secure their monthly amortization on time. On the other hand, the respondents are aware of the invasion of Made in China products in the marketplace. They were able to handle business competition because they used an adaptation strategy to understand customer preferences and other locale-specific requirements. Also, they adopted an effective marketing mix to best satisfy their consumers’ needs and wants.

Keywords

Business Performance, Life Sustenance, Loyal Customers, Made in China Products, Tiangge Business

1. Introduction

Over the past years, bazaars, more popularly known as tiangges (Ho, 2011) can be seen everywhere, during holiday seasons, festivals, and even barrio fiestas from all over the country. During these seasons, most people are willing to shop a variety of goods, whether as a gift or for personal use (Yanuarria, 2017). Entre-

preneurs organize and operate tiangges to meet the high demands of various goods. Selling products in bazaars can earn extra income with minimal capital (Villafuerte, 2018). Likewise, this is also an opportunity to get feedback from target customers to improve their products. According to Petrescu & Bhatli (2013), Flea Markets or “Tiangges” compared to the mall, are more likely preferred by the customers due to price, possibility to negotiate, and finding used merchandise. Similarly, “tiangge” is a Filipino term for a flea market, bazaar, or just a market in general (Bartolome, 2014) which is not permanent (Yanuarita, 2017) and can only operate not more than 15 days.

Moreover, tiangge business is easy to manage. Small entrepreneurs can bring their products to the marketplace through this bazaar. Since bazaar is temporary, small business owners were unable to build loyal clients due to their movements from place-to-place. Tiangge have low operating cost if the entrepreneurs establish strong networks with other tiangge owners that will invite them to the location wherein they can place their products. Further, the owner has the responsibility to secure the necessary permits before they can install their stalls and operate in their target location.

During the time of former President Benigno Aquino III, through the Department of Trade and Industry, he launched the Tindahan Pinoy outlets that help small entrepreneurs to take place their products in temporary “tiangge” for selling of their products (Ho, 2011).

Meanwhile, with the emergence of “Made in China” products in the market, are the local business; specifically, the small entrepreneurs affected by the market competition? Moreover, the customers prepare a low-cost product that will satisfy their wants and needs. In today’s business trends, the manufacturer produces quality products with the use of quality materials to offer low price products that will satisfy the customer’s needs.

In Cabanatuan City, tiangge was part of the seasoned marketplace located in the parking area of Public Market and at Plaza Lucero during holiday seasons and the Banatu Festival. They became part of the celebration to give way to entrepreneurs to earn and sell their products to the people who can purchase goods at a low price. They offer a variety of quality goods and products such as RTWs, shoes and slippers, kitchen utensils, toys, and even gadgets and cellphone accessories.

The purpose of the study is to assess the tiangge business in Cabanatuan City with the emergence of Made in China products in the marketplace, Likewise, the research used the Bottom of the pyramid Theory by Prahalad and Hart (2002), Defensive Marketing Theory by Hauser and Shugan (2008) and Consumers Theory by Levin and Milgrom (2004) which are common and most effective theories when it comes to strategies implementation for Flea Markets, Bazaars, and Tiangge in the modern-day.

Meanwhile, to further expound on the dynamics of Made in China products in the flea market, this study sought to 1) to describe the profile of the respondents; 2) to determine the vending profile of the respondents; 3) to describe the

impact of “Made in China” products to the tiangge business of the respondents; 4) to describe the business performance of the respondents in competing to China-made products; and (4) to determine the effects of China-made products on the business performance of the respondents tiangge business.

2. Methodology

The study used a descriptive method of research. As defined by Fox and Bayat (2007), “descriptive research is aimed at casting light on current issues or problems through a process of data collection that enables them to describe the situation more completely than was possible without employing this method”. Likewise, descriptive research was used because it described the viewpoint of the respondents on the effect of Chinese products on the business operations of tiangge in the marketplace.

Moreover, the respondents of the study who were chosen purposively (Subia, 2018) were 26 tiangge owners in Cabanatuan City. They were picked using the following inclusion criteria: 1) owned a tiangge business for at least one year and, 2) willing to participate in the study. A researcher-made questionnaire which is composed of a survey and open-ended questions was used to collect data from the respondents.

The researchers used frequency and percentage to analyze the data. Narratives of the respondents were also included as part of the discussion of the findings of the study.

3. Results and Discussion

3.1. Vending Profile of the Respondents

The data gathered on the vending profile of the respondents which includes: acquisition of knowledge in tiangge business, types of products being sold, nature of tiangge business, rental fee, sources of products, estimated daily earnings, number of hours in vending and satisfaction in tiangge business were shown in **Table 1**.

When the respondents were asked where they acquired their knowledge in tiangge business, 7 or 26.92 percent responded from their parents and husband/wife, respectively, followed by 6 or 23.06 percent from their relatives and friends, respectively.

In terms of types of products being sold the top-ranked product being sold were ready-to-wear ($n = 11$), followed by shoes and slippers ($n = 6$) and toys ($n = 5$). Others sold gadget/cellphone/accessories ($n = 4$), cosmetics ($n = 3$), and kitchen utensils ($n = 2$) and souvenir items ($n = 2$), respectively. Meanwhile, the nature of tiangge business of the respondents was mobile vending (76.92%) and fixed vending (7.69%).

In terms of number of years in tiangge business, 19 or 73.08 percent belonged within the bracket of 1 - 5 years, followed by 4 or 15.38 percent within the range of 6 - 10 years, 2 or 7.69 within 11 - 16 years and 1 or 3.85 percent belonged within the bracket of 17 and above years. The result shows that most of the

Table 1. Vending profile.

Acquisition of knowledge in <i>tiangge</i> business	f	%
Parents	7	26.92
Husband/wife	7	26.92
Relatives	6	23.08
Friends	6	23.08
Total	26	100
Types of products being sold	f	Rank
RTW (Ready to Wear)	11	1
Shoes and Slippers	6	2
Kitchen utensils	2	6.5
Gadget/Cellphone/Accessories	4	4
Toys	5	3
Others:		
Cosmetics	3	5
Souvenir Items	2	6.5
*multiple responses		
Nature of <i>tiangge</i> business	f	%
mobile vending	20	76.92
fixed vending	2	7.69
no response	4	15.38
Total	26	100
Number of years in <i>tiangge</i> business	f	%
1 - 5	19	73.08
6 - 10	4	15.38
11 - 16	2	7.69
17 - above	1	3.85
Total	26	100
Starting Capital	f	%
₱100,000 - ₱300,000	20	76.92
₱300,001 - ₱600,000	4	15.38
₱60,001 - above	2	7.69
Total	26	100
Rental fee	f	%
₱1000 - ₱5000	14	53.85
₱5001 - ₱10,000	2	7.69
₱10,001 - ₱15,000	2	7.69
₱15,001 - above	5	19.23
No response	3	11.54
Total	26	100
Sources of products	f	%
Suppliers	18	69.23
Retailers	5	19.23
Others	1	3.85
No response	2	7.69

Continued

Total	26	100
Estimated daily earnings	f	%
₱2000 - ₱3000	3	11.54
₱3001 - ₱4000	5	19.23
₱4001 - ₱6000	12	46.15
₱6001 - ₱8000	2	7.69
₱8001 - ₱10,000	4	15.38
Total	26	100
Number of hours in vending	f	%
6 - 8 hours	17	65.38
9 - 11 hours	5	19.23
12 - above	4	15.38
Total	26	100
Are you satisfied with your <i>tiangge</i> business?	f	%
Yes	22	84.62
No	4	15.38
Total	26	100

tiangge owners were engaged in this business venture within 1 - 5 years. This data further infer that the respondents spent a number of years in their business endeavor.

As to starting capital, 20 or 76.92 percent was within the range of ₱100,000 - ₱300,000, followed by 4 or 15.38 percent within the range of ₱300,001 - ₱600,000 and 2 or 7.69 percent have starting capital of ₱600,001 - above. This result indicated that only a small amount of money was needed to start a tiangge business.

About 14 or 53.85 percent had a rental fee of ₱1000 - ₱5000, followed by 5 or 19.23 percent ₱15,001 - above and 2 or 7.96 percent had rental fees of ₱5001 - ₱10,000 and ₱10,001 - ₱15,000 respectively.

As to sources of products, 18 or 69.23 percent were from suppliers, and 5 or 19.23 percent were from retailers. Likewise, 12 or 46.15% recorded that they have estimated daily earnings within the bracket of ₱4001 - ₱6000, followed by 5 or 19.23% from ₱3001 - ₱4000 and 4 or 15.38% was from ₱8001 - ₱10,000, other respondents recorded that they earned ₱2000 - ₱3000 (11.54%) and ₱6001 - ₱8000 (7.69%). It can be inferred from the data that 17 or 65.38% recorded that they have vending hours from 6 - 8 hours, followed by 5 or 19.23% from 9 - 11 hours, and 4% or 15.38% from 12 - above number of hours in vending.

When the respondents were asked if they are satisfied with their tiangge business, 22 or 84.62% responded "Yes", and 4 or 15.38% said "No". According to them, they are satisfied because "income is sufficient to augment daily needs", (n = 12), followed by "earned and saved a portion of income" (n = 8), and "happy of managing their business", (n = 6). This data confirmed that their tiangge business impacted their lives; they were able to sustain their family needs and able to save a portion of their income for their immediate needs. On the other

hand, they are “experiencing physical stress” due to the nature of business. Also, according to some of the respondents, they were “unable to manage income”, due to a lack of knowledge in money management.

3.2. Impact of “Made in China” Products to Tiangge Business of the Respondents

Respondents Business Information

When the respondents were asked, “Why are you in this kind of business?” most of them responded “It is a business of my parents since then”, (n = 11), followed by “husband/wife business”, (n = 7) and “in-laws business (n = 3). The result indicates that tiangge was a kind of business managed by their parents since then. Their vending experiences encourage their children to have this kind of business too because it’s easy to manage and earn money with a small amount of capital. On the other hand, the respondents stated that they continuously do this business because they want to earn their “children education”, followed by “sustain their basic needs”, and “invest for their future and immediate needs”. The qualitative remarks by the respondents affirm that this kind of business impacted their lives because they were able to manage and achieve greater opportunities to attain business success and achievement.

Impact of Tiangge Business to the Life of the Respondents

When the respondents were asked, “Is this kind of business contributed to your life sustenance and meet your financial needs to sustain your business?” Most of the respondents responded, “Yes”. According to them, they were able to “send their children to a well-known school”, “secured life insurance” for their protection”, “able to buy a parcel of land”, “buy their own pick-up truck and vehicle”, and “able to settle financial obligations on time”. This result confirmed that this kind of business uplifts the life of the respondents. Their money management practices such as “saving a portion of their income and half proceeds to sustain their needs”, and their systematic daily inventory through listahan helps them to become more responsible and accountable in recording their everyday income. Moreover, “perseverance, patience, physical strength, customer-focused”, and “strategies to sell products to the “suki”, are their self-investment to overcome the business challenges. Also, according to the “focus on business”, and “giving incentive to their business keeper”, was also a factor to their business success. The respondents take time to visit and monitor their business operations and make sure their storekeepers are motivated to sell products to the suki to satisfy their product needs. Likewise, the respondents met business challenges such as “long queuing to secure a business permit”, “location of the business”, and high payment to trucking services”, when buying a bulk of products to the wholesaler. These problems do not hinder their keenness to success and their business endeavor.

Invasion of “Made of China” Products in the Marketplace

According to the respondents, they are “aware” with the varieties of Made in China products in the marketplace. With the presence of Chinese nationals who

are presently doing business in the City, they occupied most business stalls in every corner of the Public market. They offered different products from kitchen utensils, cosmetics, accessories, and many other products with lower prices compared to the products sold by the tiangge owners. The respondents confirmed that there is only a slight business competition between their products and China-made products. According to them, the customers are now aware of the kind of products they sell such as “low-quality”, and “imitated products”. This indicates that customers considered quality products that suit their product needs and budget. On the other hand, still, there are customers who continuously bought these kinds of products because of their affordability and wide distribution in the marketplace.

Business Strategies to Still Capture the Respondents Suki

The respondents claimed that they used business strategies to still capture their suki such as “good customer-relationship”, “offered varieties of local products from other regions”, “follows product trend”, and “sales talk”. This result indicates that the respondents are able to apply business strategies, which are a customer-friendly approach. They used these strategies to sell their products in an acceptable manner resulting in good customer relationships and purchase and re-purchase schemes of the customers.

In terms of business competition, the respondents were able to handle business rivalry, according to them “they know their competitors in terms of their products and business management”, “setting of competitive prices”, “with the use of different approach or marketing strategies”, “knowledge on the competitor’s weaknesses”, and communication barriers. This result indicates that the respondents were able to handle the business competition. They have basic knowledge of Made in China products, which are their basis in setting prices to make their products more competitive and affordable to the customers. They used an adaptation strategy to understand customer preferences and other locale-specific requirements and then adapting the marketing mix and other business strategies to best satisfy consumer needs and wants.

Made in China Products vs. Locally-Made Products

According to the responses of respondents, their products were very different in “Made in China” products. As claimed by them, they have basic knowledge of the products as “imitation from the original brand’ (n = 10) and made of cheap materials”. This result indicates that the respondents were aware of the kind of merchandise that their competitors are providing. Besides, they avoid selling these kinds of products because of not meeting standards. On the other hand, the respondents were able to market locally-made products by ordering a bulk to local producers of RTWs, shoes, and slippers, kitchen utensils, toys, souvenir items, and many others. As claimed by them locally-made products are “authentic” (n = 10), “crafted with quality” (n = 7), with the use of local materials and “variety of design” (n = 5) that suits the customer needs. According to them, they patronize locally-made products to help businessmen to distribute their goods and reach the marketplace and boost the country’s economy.

3.3. Respondents Business Performance While Competing to “Made in China” Products

When the respondents were asked to rate their business performance, 22 of the respondents rated “1” and 4 rated “2”. It can be inferred from the data that the respondents were satisfied with their current business. According to them, they sell products that were locally-made to help other entrepreneurs to sell their products. They ensure quality products that will satisfy customer needs. Likewise, they earned money to sustain their business and family-related needs. As claimed by them, they were able to invest a portion of their income in the form of investment, such as the purchase of a parcel of land, vehicle, bank savings, and insurance. This implies that the respondents responsibly manage their income for their future needs. Also, they were able to sustain their business without any form of credit due to their knowledge and experiences in running the business. In terms of business competition, they used strategies that encourage buyers to purchase their products such as “good customer relations,” and “selling strategies”, which build trust from sellers and customers that will result in purchase and re-purchase of their products.

3.4. Effects of Made in China Products on the Business Performance of the Respondent’s Tiangge Business

The respondents claimed that business competition has existed over the Made in China and the locally-products they sell. Further, Made in China products are “affordable and widely distributed in the market” (n = 12) and “cheaper compare to other products, customers with low-income are able to afford it”.

Although the customers preferred low price with quality products, they are wiser now to patronize locally-produced products due to its “durability” (n = 8), “uniqueness” (n = 6), “made from local materials” (n = 4) and “met the quality” needs by the customers. The customers indeed are now sensible to their product needs; they consider the quality that will long-last and satisfy their needs. Product quality consideration is now being practice by sellers and customers. With the emerging trends in business competition, both producers and sellers working together promote a locally-made product to help the economic progress of our country.

4. Conclusion and Recommendation

Tiangge businesses were stable, according to the respondents, because it was the business of their parents since then. They were able to sell a variety of locally-made products through mobile vending during holiday seasons, festivals, and even barrio fiestas. They secure permits and paid a small number of rental fees where their products were bought to local suppliers. Likewise, they earned and invested a portion of their money in sustaining their family and business needs.

Similarly, the respondents affirm that tiangge business contributed to their life sustenance by sending their children to well-known schools, secured life insur-

ance, able to buy a parcel of land and buy their own pick-up truck and vehicle and secure their monthly amortization on time. On the other hand, the respondents were aware of the existence of Made in China products in the marketplace. They were able to handle business competition because they used business strategies to capture their suki.

However, since this study focused only on the experiences of 26 tiangge owners, the result does not represent the situation of the whole city. It is recommended that a follow-up research involving more respondents should be conducted to validate the findings of this study.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

References

- Bartolome, A. (2014). *Want to Set up a "Tiangge" Stall? Read This First*. ABS CBN News. <http://news.abs-cbn.com/business/10/18/14/want-set-tiangge-stall-read-first>
- Fox, W., & Bayat, M. S. (2007). *A Guide to Managing Research*. Cape Town City: Juta Publications. https://research-methodology.net/descriptive-research/#_ftn2
- Hauser, J. R., & Shugan, S. N. (2008). *Defensive Marketing Strategies*. <https://pubsonline.informs.org/doi/abs/10.1287/mksc.1070.0334>
<https://doi.org/10.1287/mksc.1070.0341>
- Ho, A. L. (2011). *OTOP Products Get a Place All Their Own*. <https://business.inquirer.net/10559/otop-products-get-a-place-all-their-own>
- Levin, J., & Milgrom, P. (2004). *Consumer Theory*. <https://web.stanford.edu/~jdlevin/Econ%20202/Consumer%20Theory.pdf>
- Petrescu, M., & Bhatli, D. (2013). Consumer Behavior in Flea Markets and Marketing to the Bottom of the Pyramid. *Journal of Management Research*, 13, 55-63. https://www.researchgate.net/publication/314618579_Consumer_Behavior_in_Flea_Markets_and_Bottom_of_the_Pyramid_Marketing
- Prahalad, C. K., & Hart, S. L. (2002). The Fortune at the Bottom of the Pyramid. *Strategy and Business*, 26, 54-67.
- Subia, G. (2018). Comprehensible Technique in Solving Consecutive Number Problems in Algebra. *Journal of Applied Mathematics and Physics*, 6, 447-457. <https://doi.org/10.4236/jamp.2018.63041>
- Villafuerte, F. (2018). *Guide to Selling in Bazaars, Trade Fairs and Craft Shows*. <https://fitzvillafuerte.com/tips-on-selling-in-bazaars-trade-fairs-and-craft-shows.html>
- Yanuarua, M. L. M. (2017). *New BIR Rules on Tiangges/Bazaars or Privilege Stores*. <https://mpm.ph/bir-rules-on-bazaar/>