Societal Marketing
An Opinion Survey of Philippine Contemporary Issues

By Dr. Leonardo R. Garcia Jr.

There are various marketing management philosophies under which business and other organizations can conduct their marketing activity. First is the "product concept", second is the "selling concept", third is the "marketing concept", and fourth is the "societal marketing concept" which is aimed at generating customer satisfaction and long-run consumer and public welfare as the key to satisfying organizational goals and responsibilities (Kotler 1994).

Today, an integration of the four marketing management philosophies would probably make business enterprises succeed in their corporate objectives and profitability goals. A good product will definitely sell. Promoting it will widen demand and maximize profit. Knowing the consumers' needs, and developing the product out of these needs, will definitely make the company superiorly competitive. And if these strategic directions are complemented by a noble desire to serve the consumers and the various publics the company caters to through socially-responsible projects, these people will gain a favorable impression of the company and become die-hard loyalists of the products the company manufactures.

Hence, social responsibility marketing has now become a trend particularly in the 90s when the globe is beset with environmental problems and socio-economic and political concerns that deserve attention from all sectors.

In the Philippines, there are many contemporary issues. First and foremost is the environmental issue (i.e. air and water pollution, destruction of the forest, and industrial wastes).

Second is the health issue which has become controversial to a certain extent with respect to family planning and the AIDS campaign of the government, the strategies of which are challenged by the Church.

Third is the issue on the development of the moral fiber of the nation. It has been observed by adults that the youth of today are not as respectful, disciplined, and God-fearing as they used to be.

Fourth is the political issue, primarily corruption and the inefficiency of the government bureaucracy.

And fifth deals with socio-economic and cultural issues like squatting, street children, and unemployment.

It is interesting to probe which of these contemporary issues should be high in the priority list of the government and the business sectors as viewed by the general public. Specifically, an opinion survey of the youth could provide business and public organizations an insight of how the young feel, and guide these organizations in strategic planning. Listening to the voice of the youth is essential for organizations in which societal marketing is integrated in their marketing-management philosophies.

This researcher conducted an opinion survey of the youth on contemporary issues and problems the business and the government sectors must address today. Specifically, the study investigated the major contemporary issues and sub-issues the youth believes should be addressed; the specific issues that should be given priority by both sectors; and the "developmental channels" that should be used extensively in addressing these contemporary issues. It was inferred that this study could be significant because it can present a profile of contemporary issues taken in the eyes of the youth today.

As Jose Rizal says, "the youth is the hope of the Fatherland". Therefore, the opinions of the young generation should be solicited because they will eventually be the beneficiaries of all actions of the present administration and the business sector. Years from now, they shall assume key positions in the government bureaucracy and the private business sector; hence, if the present set-up fails today, the youth will handle more problems in the future and may not "manage" the future.

A structured questionnaire was prepared and distributed to a non-probability quota sampling of 272 college student-respondents represented by 146 students in three private universities and 126 students in three state universities in Metro Manila. The students were requested to check through multiple responses or rank in their order of priority Philippine contemporary issues which the government and private business sectors must address. A simple percentage method and evaluation of mean scores or ranks were used as bases of analysis and interpretation of findings.

A consolidation of the responses of college students from both the state and private schools showed that three-fourths of the respondents significantly prioritized air pollution and destruction of the forest on environmental issues; malnutrition, drug addiction and AIDS on health issues; peace and order problems and inefficiency/corruption of government officials and personnel on political issues; and street children and unemployment/underemployment on socio-economic and cultural issues.

If the private business sector is engaged in societal marketing and intends to complement the efforts of the government, it can isolate the said issues and come up with programs that can help solve these country's problems. Similarly, the government agencies responsible in solving such issues like health, the environment, and socio-economic ills should start accelerating their efforts on such priority problems.
Specifically, if there are ten priority issues that need to be addressed, they are: (1) air pollution, (2) peace and order problems, (3) malnutrition among infants/adults, (4) inefficiency/corruption of government officials and personnel, (5) drug addiction, (6.5) street children and unemployment/underemployment, (8) destruction of the forest, (9) AIDS, and (10) water pollution.

On the other hand, the major priority issues the government and private business sectors must address show the following: (1) environmental issues, (2) moral/spiritual/family values issues, (3) health issues, (4) political issues, and (5) socio-economic and cultural issues.

In a scale of 1 to 5, the mean scores of the major issues showed that both the government and the private business sectors should prioritize environmental issues. Students believe that various agencies of the government and business enterprises should institute measures for clean air, clean water, greening of the environment particularly the forest, and safety nets for industrial wastes. Health issues and moral/spiritual/family values issues should likewise be addressed to transform the society into a healthy, value-oriented society. The current advocacy campaigns of both sectors dealing on such issues should therefore be strongly supported and continued.

An examination of the various “developmental channels” or media of communication that can be used by the government and the private business sectors showed that the use of television programs and newspaper/magazine articles and publicity are effective tools to communicate advocacy campaigns or campaigns that can promote adherence to various issues. Radio programs closely followed for the government sector, while advertising was third medium for the business sector.

Since television and newspapers and magazines are metropolitan media, these channels are indeed effective developmental vehicles that can be used by both sectors. Radio programs and advertising campaigns can likewise be effective. On the other hand, entertainment for education (enter-educate), posters and leaflets, books, and short/long-feature films are supplementary media that can also be used and could provide some impact if mixed with the major media.

Conclusions

From these findings, we can then conclude that the youth considers several contemporary issues that need to be addressed by both the government and the private business sectors before the country can further modernize. The goal of “Philippines 2000” is progress once the country reaches the 21st century. A modern society is characterized by the application of technology as shown by the wide ranging control of the environment and utilization of inanimate sources of energy, by extensive social interdependence, by urbanization, literacy, social mobility, and a host of similar factors.

The specific issues identified by the college students refer to the drastic improvement in the environment like cleaner air and water, a greener forest, and a better traffic management system. They also clamor for a healthy society through the eradication of malnutrition and drug addiction as well as the adoption of precautionary measures to combat AIDS. They want solutions to the peace and order situation and to the inefficiency and corruption of government officials and personnel. They look forward to the minimization of poverty through the absence of street children and unemployed or underemployed individuals. All these socio-economic and political ills, if not attended to and solved, will never allow the country to become the “lion” of Asia.

The Philippine scenario can therefore be viewed both “externally” and “internally”. The “external” scenario can mean environmental changes which are key factors to modernization. It can also mean improvement in the quality of life of the Filipino and a remarkable bureaucracy, all of which are measurable in the eyes of the general public.

Conversely, the “internal” scenario refers to the moral regeneration movement or the so-called development of “values”. This is something that should be experienced from within before it can be translated into measurable action. It is enlightening that the youth has identified both the external and internal scenarios of modernization, i.e., addressing Philippine contemporary issues as discussed in this opinion survey. If one has to envision “Philippines 2000, this will then be a nation of economic prosperity and a nation that believes in the profound laws of conduct, ethics, and decency—terminologies that measure self-renewal or “nation-renewal”.

It is hoped that this study will push our government planners, strategists and business entrepreneurs to re-align their directions and give emphasis to the attainment of “modernization” both from within the Filipino individual and outside. It is also hoped that the so-called public servants—the political officials, bureaucrats and technocrats—will realize the essence of change by delivering the basic services to the people relative to the issues covered by this study. On the other hand, it is also hoped that the business sector which has integrated the societal marketing concept in its management philosophies will respond side by side with the government in the delivery of these basic services. If they do, they will reap the fruits of their labor through consumers’ preference for their products and heightened corporate image.

Nevertheless, change will only happen if the adults—the current government leaders and business managers—set a good example to the youth. The adults should set the pace to preserve the environment, promote health fitness, strengthen the moral fiber of the nation, and solidify the political, social, economic, and cultural concerns of the nation. In other words, if adults set the right kind of change, the youth will necessarily adapt to the change and sustain this change.

Let the Nestle’s campaign on values be a constant reminder for everybody: Samalat ng bata, ang ginagawa ng matanda ay nagiging tama (In the eyes of the child, what the elderly does is deemed right).

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Opportunities in a booming real estate industry

By Rolando D. Esguerra

The prospects for the real estate sector in the Philippine economy can best be described as BRIGHT. The current boom is here to stay, and may I prognosticate, may well be so beyond the 21st century. The premise: "A vibrant economy is the mirror-image of the real estate and construction industry."

Fortunes in the real estate industry will continue to be created for as long as the economy grows between 6% and 9% over the next five years and investments continue to pour into the different sectors of the economy.

The stability in the political situation (the 1998 election fever coming this early, and exchange of charges of Dagdag-Bawas, notwithstanding) brought about by the return of the regime of assured political succession, the weakening of secessionist and disident movements, and improvements in infrastructure will be the springboard for positive growth in the real estate sector.

International events (such as the return of Hongkong to China in 1997 and turmoil in some parts of Asia) will be a blessing for real estate players here.

Other macroeconomic factors
1. GNP is expected to grow by at least 6.5% in 1996, thanks to deregulation, liberalization and privatization of the economy since July 1992;
2. Economic growth is fueled by strong exports and investments which are expected to grow more than 15% each annually.
3. Growth in the medium term will be moderate, and this can be seen as some kind of a blessing in disguise if we consider the experiences of Thailand, Indonesia and China, all of which spawned infrastructure bottlenecks. (However, a semblance of infrastructure bottleneck can be seen locally, as indicated by the current cement shortage inspite of so many new cement factories being put up and old cement companies already increasing their productive capacity.)

The days of intolerable power outages in the early 90s that crippled most industries is now to be a thing of the past. Now we see government (with unwavering support it seems from the private sector) constructing more roads, bridges, harbors, airports and putting more water utilities and telecommunications facilities through Build-Operate-Transfer projects that will help ensure sustained economic growth in the coming years.

Directly focusing on real estate, low interest rates are attracting developers to construct high-rise buildings in the metropolis and urban centers outside Metro Manila. The entry of more foreign banks will drive interest rates even lower in the medium term. Lower interest rates can induce more domestic investments, especially in housing as well as industrial and commercial construction.

At present, fewer people are putting their money in banks because low yields, when ranged against higher inflation, do not have the purchasing power of their savings. Buying a residential house or an office space is attracting more investors who are looking into the long-term. As a result, property prices are reaching unprecedented levels. Consider this: prime land valued in Makati, the pacesetter for the whole industry, has already reached P250,000 per square meter, while property in the ongoing industry, have already reached P400,000 per square meter in Ayala Avenue in recent days. Ortigas lot prices are now in the region of P250,000 per square meter, while property in the ongoing Fort Bonifacio development was won through a best bid of P165,000 per square meter, as early as about a year and a half ago.

Be that as it may, it might interest you to know that while a seat in the Philippine Stock Exchange is presently doing 15 x more expensive than a seat in the New York Stock Exchange (P80 Million or $3 Million for a PSE seat vs NYSE's $200,000), Philippine real estate is still on the average about 6 to 8 times cheaper than Hongkong and Tokyo. This makes the country an attractive alternative site for foreign companies seeking strategic regional locations for business operations. Rental rates in the Philippines have a distinct possibility of approaching the levels seen in Hongkong and Japan as long as the political situation here is stable and the economy continues to grow.

Dr. Bernardo M. Villegas, Dean of the School of Economics of the University of Asia and the Pacific (UA & P, formerly the CRC), provides us with more positive assessments on the real estate industry. He predicts that Metro Manila will see a repeat of the 1987-1991 upsurge in the construction of high-rise office buildings and condominium towers, especially in Makati, Ortigas, Mandaluyong, Fort Bonifacio, and Alabang. Medium and low-cost housing projects will proliferate in the CALABARZON subregion, especially in Cavite, Laguna, and Batangas; in Metro Cebu, Ililo, and Bacolod in the Visayas; in Cagayan de Oro, and General Santos City in Mindanao; and in Bulacan, Pampanga, Tarlac, and Nueva Ecija (in those places unaffected by laban-induced floods).

Villegas also anticipates tourism-related construction projects constructed in such areas as Tagaytay, which for Metro Manila residents have increasingly become a substitute for Baguio; Cebu, Panay, and Negros islands in the Visayas; Davao, Cagayan de Oro, and Zamboanga in Mindanao; Batangas, Cavite and Bioc in Southern Luzon; Subic in Central Luzon, La Union, Pangasinan, Baguio, and the Ilocos regions, especially for Taiwanese tourists in the Northern Luzon; and Palawan for Japanese and other high-income tourists. The tourism industry will be one of the most fortunate beneficiaries of the country's new found political stability.

Let me cap my discussion on the real estate boom with an overview of the different real estate sectors:

Housing
* There is a 1.1 million housing backlog in Metro Manila alone, with 67% needed for low-income families. The existing supply of low cost housing is 33% out of .98M while the supply of medium cost housing is 39% out of .66M. For luxury housing, 48% is supplied out of .17M.
* The condominium market, currently underpinned by changing consumer requirements, is very strong. This sector has a backlog of 87,000 units (52% of potential demands is for high-cost housing). The luxury units are 80% to 100% sold (completed or not).

Office
* There are over 400 office buildings in Metro Manila, amounting to 2.5M sqm. of Gross Usable Area (GUA). Eighty percent (87%) of Office buildings are in Makati, accounting for 80% of total GUA in Metro Manila and occupying 90% of its built up area.
* Currently the demand for office space is strong. Occupancy rates average 88% for
Ortigas and 95% in Makati. Rental rates for prime office space in Manila is 6 to 8 times cheaper than Hongkong and Tokyo. Singapore is three times more expensive than Manila.

* Occupancy levels will slow down in 1998 but will remain high, averaging 89%.

**Retail**

* Around 16 shopping malls in Metro Manila with an aggregate area of 2.5M sqm. of Gross Lettable Area (GLA) averages 100,000 to 300,000 sqm./mall. GLA rose 19% per year (1985-1995) as many malls underwent expansion after 1986. Average vacancy rate is 2-5%.

**Microcities**

* There are twelve microcities which integrate residential, commercial, office and recreational developments in one vast tract of land. These are: Fort Bonifacio, Filinvest Corporate City, Sta. Ana Race Track, Rockwell Plant, Manila Bay Reclamation (part of the 400 hectares reclaimed area), AsiaWorld City, Coastal City, Subic, NHA North Triangle Property, UP Diliman Property, Smokey Mountain, and Puga Island. Filinvest Corporate City, Fort Bonifacio and Rockwell Center are all underway.

**Apartelle**

* There are around 23 apartelles in Makati and Ortigas equivalent to over 1,000 rooms ranging from studios to three-bedroom units to suites. Occupancy rate for daily and weekly transients is 60.5%. For monthly tenants, it is close to 100%. Room supply growth is 5% per annum from 1986-1995. Demand is generally stable all year round with the exception of tourist apartelles. Peak season is March and June.

**Industrial Estates**

* As of April 1994, there are 48 industrial estates covering 1.5M hectares—52% are privately-owned; the rest are government run. The CALABARZON region has the highest share of 62.1% (930,736 has). The other parts of Luzon have 37.6% or 575,860 hectares. In terms of average annual growth of total area of operational and pre-operational Industrial Estates (June 1992- April 1994), the Visayan region grew significantly (19.4%), due to the opening of Victorias Milling Industrial Estate and the expansion of the Mactan Export Processing Zone (EPZ).

All these should make not only investment in real estate, but investing one's career in the industry, one decision worth considering.

**A Career in Real Estate**

Let me now try to interest you into the business of real estate prospecting by sharing some of the basics of real estate selling.

At least twice each year, the Department of Trade and Industry conducts a Real Estate Brokers' Licensure examination that has always been never wanting in examinee-applicants—proof that more Filipinos see the wisdom of investing their time and/or their careers to real estate related endeavors.

To be eligible to sell real estate, one has to be a real estate broker. A real estate broker is defined as the practice whereby a person, in behalf of a principal and for, and in expectation of a commission or fee, negotiates to buy, sell, lease, exchange or mortgage real estate. So you see, the popular notion that a real estate broker only acts in behalf of a seller to locate a buyer, is a misconstrued belief.

Brokerage, then, can cover any of the following:

1. A Sales Agency - which is an engagement to look for a buyer
2. A Purchase Agency - which is an engagement to look for a seller
3. A Lease Agency - which is the procurement of tenants for rentable properties
4. An Exchange Agency - which is a negotiation for the exchange of property between two or more owners
5. A Loan Agency - which is the procurement of loan secured by real estate.

In my case, of course, as a banker, I could do any of the first four agencies, but not the last, as this would be clearly unethical and would give rise to a conflict of interest, especially if the borrower would want to borrow from the bank that I am presently connected with.

Depending on each particular case, and in the network of realtor-agents that one deals with, dealing in the real estate can be very rewarding. I mentioned networking here. I cannot help but underscore the importance of networking in real estate, as finding the right property, and matching sellers of properties with buyers, by experience depends to a very large extent on the exchanges of listings between and among brokers. Listing here, by the way, refers to one's list of available buyers and sellers. These lists are not identical for all brokers even in a defined area.

How rewarding is the job of a real estate broker?

The purchase, sale or loan procurement for a buyer, seller or borrower entitles him to a commission of 5% of the selling or buying price of the property or of the loan procured; exchanges of properties are allowed a commission rate of 5% of the fair market value of the property exchanged, while leases closed on behalf of a lessor entitles the broker to 1/2 of the first month's rental for leases arranged on a month-to-month basis; one month rental for leases of over one month but not over 18 months; and 5% of total rental where the period of lease exceeds 18 months. Given the considerable value of property, you can do your own pencil pushing to discover that the amounts of commission are not exactly small.

I would like to share with you the information that the three gentlemen who run the very successful Fil-Estate Land, Inc., all started their professional careers by being selling agents of subdivision developer in the '70s, the VV Soliven Realty Group.

After a few years of selling properties for Mr. Soliven, these three gentlemen: Robert Sobrepena, Ferdie Santos and Noel Carino apparently saw the bright prospects for realty development and selling, put up their company, and I do not need to spend a much longer time to convince you that the time they had decided to devote to real estate, had indeed been worth it.

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