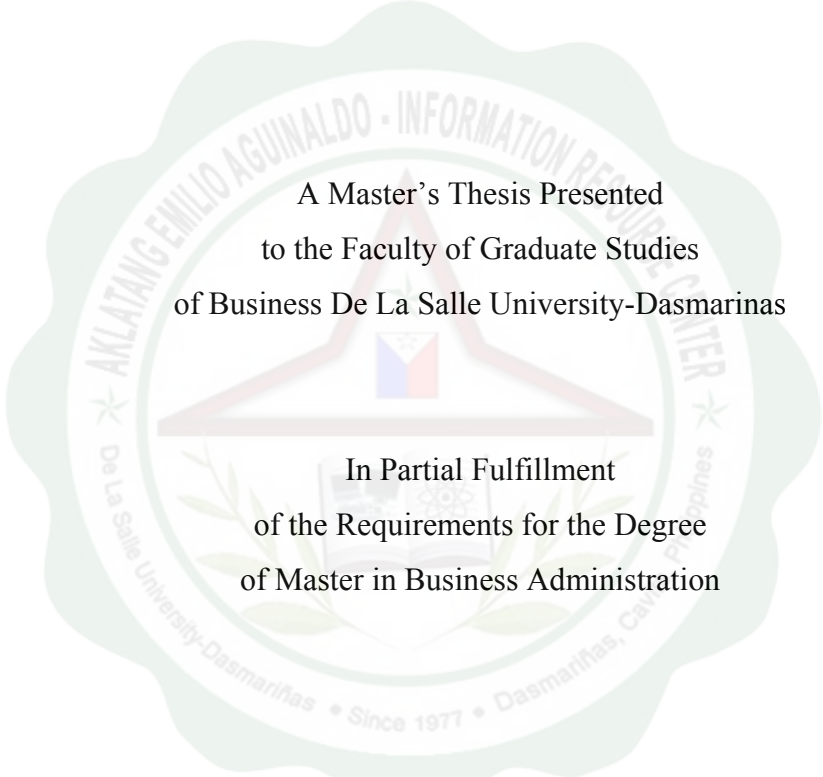


THE COMPETITIVENESS, EFFECTIVENESS AND SUSTAINABILITY
OF SANITATION SERVICE BUSINESS PROCESS OUTSOURCING
(BPO) MODEL AS A MARKETING STRATEGY
FOR JOHNSON-DIVERSEY (JD)
PHILIPPINES



A Master's Thesis Presented
to the Faculty of Graduate Studies
of Business De La Salle University-Dasmariñas

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of the Requirements for the Degree
of Master in Business Administration

Arnold B. Chavez

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ABSTRACT

Title : The Competitiveness, Effectiveness and Sustainability of Business Process Outsourcing (BPO) Model As A Marketing Strategy For Johnson-Diversey Philippines

Researcher : Arnold B. Chavez

Adviser : Dr. Jose Mario B. Maximiano

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Johnson-Diversey Philippines is a manufacturing firm that sells industrial cleaning agents to food and beverage processing plants. As a marketing strategy due to stiff competition, JD has been using business process outsourcing (BPO) concept since 2002. The post production clean up in the food and beverage processing plants is a non core but critical process because of its food safety implications in the manufacturing operation.

JD's sanitation service BPO model as a marketing strategy is a subject of dispute among business managers of JD Philippines. The success indicators are asked because JD Philippines is the only country in JD's Asian organization that uses this BPO concept.

There are four components that comprise JD's sanitation service BPO model. These components are evaluated in this study. The effectiveness and competitiveness of these components determine the success indicators of the marketing strategy.

Effectiveness evaluation refers to the customers' satisfaction while competitiveness evaluation indicates the differences of the strategy from the competition. On the other hand, sustainability evaluation determines the gross profit improvement for JD Philippines given the five-year profit and loss statement.

There are six statements of the problems and nine hypotheses that are formulated in order to evaluate competitiveness, effectiveness and sustainability of the appropriate variables of the study. The framework of the study is anchored on Stufflebeam's evaluation checklist (2002) that includes effectiveness and sustainability among others and Mcnamara's evaluation program (1997).

The study used quantitative descriptive method to evaluate the variables. The effectiveness and competitiveness variables are evaluated from the customers' survey. This served as the primary data and was subjected to descriptive and inferential statistical treatment. The secondary data that came from JD's five-year profit and loss statement served as the basis for sustainability evaluation.

Based on customer's survey, JD's sanitation service BPO model has complied with all the four components. Customers were satisfied only with two components namely sanitation chemicals and management skills. Upon evaluation of five-year profit and loss statement, JD has shown improvement on profitability.

The marketing strategy was successful only in terms of sustainability. It was successful with competitiveness when compared with EL in terms of sanitation chemicals only.

When compared with EC, it was successful with sanitation chemicals and management skills. In terms of effectiveness, it was successful only with two components: sanitation chemicals and management skills.

It is recommended that JD should invest more with technology, innovation and research to provide customers wide range of sanitation equipment. The sales force structure should be changed from sectoral to geographical assignments in order to serve the customers better. To improve profitability, JD should pursue three-party agreement with customers and manpower service providers. JD should pass salary administration of cleaning crews directly to the customers. This is to prevent profit dilution as a result of manpower expenses.

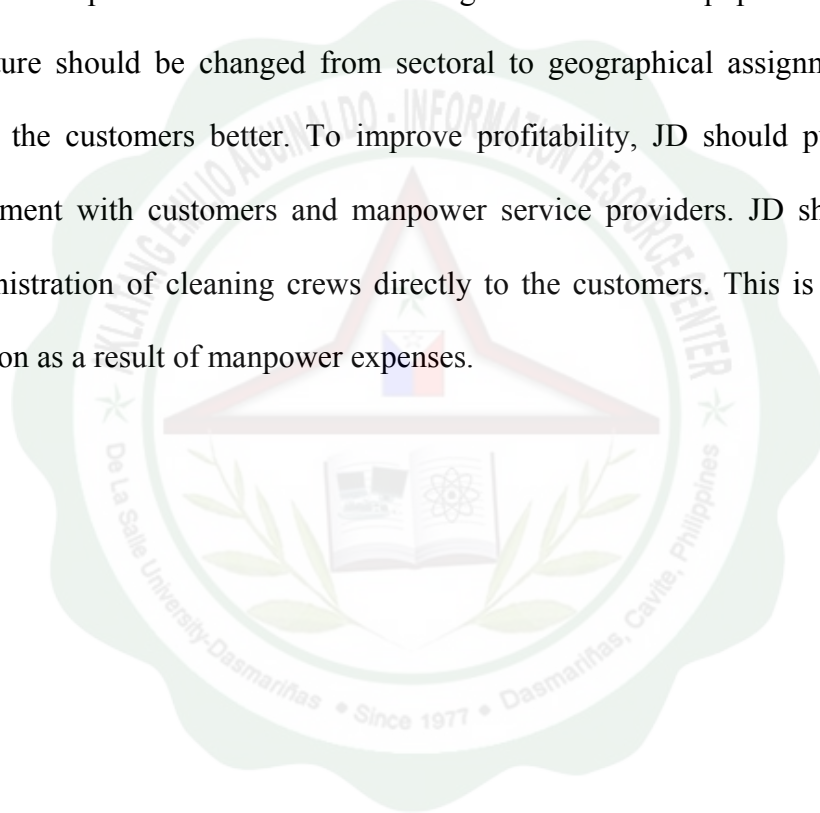


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