

## ABSTRACT

**CATACUTAN, Z. M., Market Structure, Conduct and Performance of Blended Coffee Industry in Cavite towards Marketing Strategies for Severino's Aguinaldo Blend Coffee.** Master in Business Administration, De La Salle University – Dasmariñas City, Cavite, February 2015.

The study described market structure of the firm as to market share (in Cavite), annual sales of the product, and annual income; determined the conduct of the firm in terms of price and promotion as compared to its competitors, determined the market performance of the firm gauged from its point of view with respect to its market efficiency wherein efficiency was measured by looking into the gap between productions vs. sales: availability to cope with seasonality of demand; identified the market conduct of the firm as perceived by its retailers; and proposed recommendations can be drawn for the firm's marketing strategies for this product.

The study included four brewed coffee firms composed of Gourmet Coffee, Kape Amadeo, Kape de Bailen and Severino's Aguinaldo Blend Coffee, along with thirty-five brewed coffee retailers in selected cities and municipalities of Cavite wherein the researcher personally interviewed them using a self-made questionnaire.

The study made use of a descriptive research design. A descriptive research allows quantitative and qualitative description of current states, traits,

nature and characteristics of subject. It also helps supply both factual and practical information that can be used to evaluate conditions. Based on the interviews conducted, Gourmet Coffee and Kape Amadeo dominated the market by acquiring the higher production and generation of sales in their respective target market. Annual sales and income are acquired by the said firms due to their advanced production processes and technology, larger and expansive distribution channels, and brand popularity in the market. Annual Sales can be achieved by increased availability of distribution outlets, marketing channels, and higher volume of production. Higher sales can also be achieved through proper pricing and improved method of payments and procurement techniques. Annual Income will also be maximized if sales will be optimized through increased quantities sold and produced both in lean and peak seasons. Pricing will also be a consideration.

The market conduct of the firms in relation with promotion and pricing, larger availability of package brewed coffee products both on peak and lean months are the factors behind the success of Gourmet Coffee and Kape Amadeo. Prices are stable both on lean and peak seasons. Majority serves as processors and used buying stations as way of distributing products. Marketing arrangement such as credit marketing tie-ups, contract buying and contract growing will provide higher potential for sales and income for the firms and retailers.

The market performance and efficiency of the firms in relation to gaps between sales and production showed that there is a direct relationship between the sales and production of coffee of the firms. The market conduct of the firms' as perceived by their retailers showed aggressive retailing, creation of distribution channels, and product development are the best way to cover the market. Taste, availability, texture, aroma, appearance, price and location of the store are considerations. The firm should focused more in its core competencies as to coffee farming.

