

Navigating the Realm of Product Promotion for Local Chocolates

ABSTRACT

The Philippines is starting to have strong gains in the chocolate confectionery as the demand for local chocolate is steadily increasing. A study was conducted to determine the promotional media preference and strategies for creating awareness of the local chocolate developed by the university and identify the barriers in the promotion and marketing sphere. A total of 65 respondents were randomly chosen and a structured questionnaire and focused group discussion was undertaken to gather data from the field. Results of the study showed that various marketing technologies and product promotions are preferred for introducing the chocolate developed by the university. Consumers had outgrown their desire to buy chocolates in the traditional market outlet of souvenir shops and utilization of innovative social media marketing is highly predominant. Likewise, inclination in the use of digital platforms has been established and widely employed resulting to the dwindling utilization of traditional media. Towards this end, it is crucial to identify future activities that will make use of digital technology to push and promote the local chocolate to increase its competitiveness, continuous trainings must be provided to entrepreneurs on online marketing strategies, provision of financial support must be continued for upscaling the product and consumer-centered research must be continuously conducted to address the diverse needs of the consumers when new products are introduced in the market.

Keywords: Promotional strategies, confectioneries, marketing mechanism, market outlet

1. INTRODUCTION

The Philippines is starting to have strong gains in the chocolate confectionery as the demand for local chocolate is steadily increasing. The country's chocolate is well-known for its unique taste and gaining popularity not only at the local level but in the international market as well.

In order to strengthen the chocolate industry in the country, the government is doing its best to sustain and make globally competitive the main source of table a which is cacao. Towards this end, the Philippine Cacao and Chocolate Industry Roadmap 2021-2025 was formulated. After a series of industry consultations and meetings, it envisions a globally competitive and sustainable Philippine cacao and chocolate industry built on a strong Philippine brand of quality cacao. This is definitely a big help to the cacao industry which is steadily growing in the country. The Philippine Statistics Authority reported that from July to September 2022, production of cacao (dried beans with pulp) was estimated at 2.65 thousand metric tons or an increase of 8.2 percent, from 2.45 thousand metric tons output in the same period of 2021. The leading cacao-producing region was still Davao Region, which produced 2.02 thousand metric tons or 76.1 percent of the total cacao production for the quarter (PSA, 2022). Previously, Davao was also reported as the major producer of cacao producing 80.6 percent share of the country's total cacao production in 2021 (Medenilla, 2022).

However, despite many competitive advantages of the cacao industry, the country's exports remain low as it ranks 72nd in terms of exports, as its global market

share of less than 0.01% (DTI, 2017). Also, the country is still an importer of cocoa products such as chocolate, cocoa powder, cocoa beans, cocoa paste, cocoa butter and cocoa husks. The large import of cocoa powder and export value of chocolate is being credited to major chocolate manufacturers in the country that seldom buy local cocoa beans. Instead, they use imported powder and cocoa butter for their raw materials. This in effect increases the importation of cocoa powder making it the leading cacao product import in 2014. Consequently, some of the finished by-products produced by local manufacturers are being exported to other countries (DA, 2021).

Indeed, the cacao and chocolate industry in the country is still far from being stable and sustainable. Product development for new chocolate and confectioneries must be encouraged. While there are many available local chocolates, there is still a need to innovate from the traditional and locally produced chocolates. And with new products available, this has to be known and promoted hence, this study is undertaken.

2. OBJECTIVES

This research study aimed to determine the promotional media preference for creating awareness of the local chocolate produced by the university, identify the barriers and challenges in marketing the local chocolates, and provide recommendations to strengthen the promotion of local chocolates.

3. RESEARCH METHODOLOGY

A total of 65 respondents were randomly chosen composed of cacao farmers, processors, researchers, professionals and students during the conduct of the Cacao Festival at the Central Bicol State University of Agriculture, Pili, Camarines Sur. A structured questionnaire was developed and used as the main tool for gathering the needed data. Likewise, focused group discussion was also undertaken to elicit more information from the respondents. Document review and analysis of data was also undertaken to confirm and validate the data gathered from the survey. Frequency counts, weighted means, ranking and percentages were used to describe the profile of respondents and analyze the product attributes, preferred marketing outlet and promotional media of the respondents.

Secondary data were also gathered from other agencies such as the Metro Naga Chamber of Commerce and Industry, Department of Agriculture and other agencies/institutions which may have relevant data for the project. Descriptive method was employed in discussing the secondary data gathered on product promotion. Likewise, data were gathered from publications of various government offices, private institutions, previous researches/thesis/ dissertations, journals and articles.

4. RESULTS AND DISCUSSION

4.1 Respondent's Profile

A total of 65 respondents participated in this research study. In terms of gender, 40% are males and a higher percentage of 60% are females. By category, 40% are processors, 28% are professionals and/or employees, with farmers and students having a percentage of 18% and 14%, respectively. Most of the respondents' age cluster within the range of 21 to 30 years old (29%), followed by 41 to 50 years old (23%) and 51 to 60 years old (23%). A small percentage of 15% are above 60 years old and 9% belongs to 31 to 40 years old. On educational attainment, 78% are into college level. The remaining half of the respondents are either into primary level (2%), vocational (5%), post graduate (8%) and secondary level (8%). In terms of civil status, almost half of the respondents

are married (45%) with the remaining half single (43%) and a small group of 12% are widow.

	Number	Percentage
GENDER		
Males	26	40
Females	39	60
TOTAL	65	100
CATEGORY		
Processors	26	40
Students	9	14
Professionals / Employees	18	28
Farmers	12	18
TOTAL	65	100
AGE		
Above 60	10	15
51-60	15	23
41-50	15	23
31-40	6	9
21-30	19	29
TOTAL	65	100
EDUCATION		
Primary	1	2
Secondary	5	8
Vocational	3	5
College	51	78
Post Graduate	5	8
TOTAL	65	100
CIVIL STATUS		

Table 1. Socio-demographic Profile of Respondents

Single	28	43
Married	29	45
Widow	8	12
TOTAL	65	100

4.2 The Local Chocolate

The local chocolate was developed by university faculty-researchers under the project titled "Strengthening Entrepreneurial and Networking Capacity of Cocoa Farming and Processing Households in Bicol Region, Philippines". This project is jointly implemented by the Flemish institution (Universiteit Gent, Belgium) and the Central Bicol State University of Agriculture (CBSUA), Philippines. South Initiative (SI) projects are departmental projects which focus on specific developmental problems. Towards this end, it is crucial to gather information and feedback from target clients and customers relative to the chocolates' product attributes, level of satisfaction in terms of taste, form/shape and purity (% of cacao beans), preferred market outlets, promotional media and possible barriers and challenges that may hinder clients from buying the chocolate.

4.3 Marketing

Marketing of the local chocolate is important because it can inform potential consumers about what is this new product, its value and what sets it apart from existing similar products in the market. Marketing is also the gateway for developing the identity for the locally-produced chocolate and strategize ways to position it in the market. Moreover, with the online platforms now readily available to everyone, the use of social media to expand its brand recognition is crucial.

In this study, it was noted that the preferred market outlet for cocoa-based products is through online, or the internet followed by pasalubong centers/souvenir shops which abound in Bicol/Camarines Sur hence, it is not surprising that it was ranked 2 by 34 respondents. This was followed by the supermarkets as another effective way of marketing the chocolate and cocoa-based products. Utilizing small stalls and reselling got the least preference from the respondents.

This finding is in consonance with the fact that e-commerce is seen to have some scope for development having made strong gains in chocolate confectionery during 2020 and 2021. It further reported that in March 2020, the Fine Cacao and Chocolate Institute (FCCI) conducted a survey to better understand the impact of COVID-19 on small chocolate businesses. While several lockdowns were implemented, postage and delivery systems were still operating in different countries. With this, small chocolate businesses used this platform to improve their sales. Thirty percent of those who participated in the survey are planning to move sales entirely online while as much as 59% look forward to boosting digital marketing endeavors over the immediate future. Also, according to National Confectioners Association, online chocolate engagement grew, rising from 25 percent of shoppers in 2018 to 40 percent in 2021 (DA, 2021).

While online marketing is very encouraging, the Department of Agriculture (2021) still reported that supermarkets and sari-sari stores (other grocery retailers) will continue to be used in the distribution of chocolate confectionery in the Philippines and this is expected to continue even with the effect of the COVID 19 pandemic. This may be because some of the populace are not yet technically-literate and ready for purchasing chocolates and table a using the online platform.

Table 2. Preferred Market Outlet for Locally-produced Chocolate

Market Outlet	Number	Rank
Online	38	1
Pasalubong Center/ Souvenir Shop	34	2
Supermarkets (SM, Robinsons, Metro, LCC)	19	3
Small market stalls	16	4
Reseller	11	5

4.4 Promotional Media / Strategies

Respondents were asked to rank the promotional media they prefer for chocolate with 4 being the most preferred and 1 the least preferred. Ranked first was the utilization of the internet such as facebook, emails, websites and blogs with a mean of 3.12 followed by the broadcast media such as radio or television (2.6), print media (flyers and brochures) having a mean of 2.13 and the least preferred is support media consisting of the use of billboards, posters and cinema with a mean weight of 1.89.

Social media presence is increasingly utilized nowadays to promote products, services and businesses. Social platforms are necessary to connect with customers, increase awareness about the product. Social media users continue to increase daily and engagement on major platforms keeps on increasing. Harnessing social media is necessary and provides great opportunity to establish the need for promotion especially for new products like chocolates and at the same time listen and get feedbacks from potential customers.

In a report by Medenilla (2022), it mentioned that from 2021 to 2022, table a and chocolates was most frequently searched in December in Google Trend. A majority of the search is coming from Central Visayas, Northern Mindanao, Region 12 (Soccsksargen), Metro Manila, and Davao Region. This could indicate that individuals are more interested in table a and chocolates during the holiday season.

The increased use of the internet for business purposes has resulted to the dwindling utilization of traditional media such as television, radio, newspapers and magazines. These traditional media are in the form of print, broadcast and support media. Print media is in the form of flyers, brochures and calling cards while broadcast is the utilization of television or radio for product promotion. Support media on the other hand, utilizes poster, cinema and video advertising.

Table 3. Preferred Promotional Media for Local Chocolate

Promotional Media	Mean Weight	Rank
Internet	3.12	1
Broadcast Media	2.60	2

Print media	2.13	3
Support Media	1.89	4

4.5 Barriers and Challenges

Introducing a new product in the market is not without problems. Some of the barriers and problems identified by the respondents for the local chocolate are high price premium and lack of availability and information about the new product. Since chocolates are not important goods in the household, consumers may not also have the budget for such commodity. Additionally, respondents also mentioned about lack of trust in the label since it is new in the market. Moreover, low level of knowledge about the product as well as its accessibility may hinder the consumers from buying the local chocolate.

Table 4. Perceived Problems and Barriers in buying the Local Chocolate

Barriers	Number of Responses	Rank
High price premium	41	1
Lack of availability	35	2
Lack of information	22	3
Lack of money	19	4
Lack of trust in the label	10	5
Low knowledge	5	6
Others (i.e. accessibility)	2	7

5. CONCLUSIONS AND RECOMMENDATION

The preferred marketing mechanism for the local chocolate is through the internet followed by pasalubong centers/souvenir shops and the supermarket. Likewise, utilization of the internet for promotional activities is now the most popular and acceptable media because most of the people and customers have access to the web. Social media particularly, is a promising platform for promoting the new locally produced chocolate. Towards this end, it is crucial to identify future activities that will make use of the internet in the form of emails, digital brochures, online promotion to push and promote locally-produced chocolates not only at the regional and national level but at the international market as well. Further, it is also crucial to identify the important role of social networking site and social media platform as an important gateway for product promotion of local chocolates.

Based on the findings of this study, it is recommended that promotion of new locally-produced products must be intensified through digital platforms to increase its competitiveness, continuous trainings and technical knowledge and expertise must be provided especially on online marketing strategies, financial support must be provided for the continued upscaling of the product to make chocolates at par with the popular products at the global market and consumer-centered research must be conducted to address the needs of the consumers especially when new products are introduced in the market.

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