

# Effects of Waltermart Supermarket on Small Retail Business

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## Abstract

This study assessed the effects of Waltermart Supermarket on small retail businesses in Candelaria, Quezon, Philippines. Using the adapted questionnaire from Cantuba (2015), retailers assessed the effects of Waltermart on their sales and revenue, product movement, and customer attraction and retention using the 5-scale Likert style. The adapted questionnaire from Lee (2008) was also used to assess the strategic response of the retailers to maintain sustainable operation using marketing practices, merchandising practices, customer service practices, and business operation practices using 5-scale Likert style. A total of sixty registered retailers were used as the sample. Findings revealed that retailers are moderately affected by the presence of Waltermart with 'customer attraction and retention' ranked the highest, and 'sales and revenue' as the lowest. In terms of strategic practices used by retailers to maintain sustainable operation in the presence of Waltermart, findings revealed that 'business operation practices' ranked the highest, and 'merchandising practices' as the lowest. For this, retailers need to continue an effective business operation and enhance the quality, competitiveness, and availability of the product through good inventory quality control management. As the study offers an assessment of the effects of Waltermart on retailers, the results suggest an in-depth analysis of the impact of supermarkets on the retailer's performance through financial ratios.

**Keywords:** *Waltermart Supermarket, small retailers, sustainable operation, business operation, inventory quality control management*

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## 1. Introduction

The establishment of supermarkets in rural areas like towns increases economic activity and local employment. Supermarkets impose a need for human labor, an investment that consequently turns into consumption and spending which are the key stimulators that boost development and progress in a local economy. With its numerous amenities offered like air-conditioned buildings, spacious selling areas and parking spaces, cleaning and sanitation practices, proper food and product handling, convenience and accessibility, and others are the qualities of the supermarket that attract customers.

According to Vinodini (2016), shopping becomes a vital part of all individuals' everyday life. Most buyers nowadays have a lot of buying options like online shopping, local wholesale markets, shopping malls, and supermarkets that offer beautifully decorated and well-organized facilities. Other positive contributions of supermarkets to customers are quality products, safety, and hygiene. Supermarkets also tend to have a good service compared with unorganized and informal markets, store staffs are neatly dressed, polite, attentive, and passionate with work and customers. It also offers a wide range selection of products and considers to be a "one-stop-shop" for all daily needs products.

Although supermarkets in rural areas elevate the society and economy, these supermarkets also create threats to small retail businesses within the vicinity. According to Mathenjwa (2010) and Migdadi and Abdel-Rahman (2020), there is a relationship between the distances of small retailers and the percentage decline in terms of turnover and profit. For instance, Mathenjwa (2010) found that businesses operating less than 1 kilometer from a supermarket or mall reported a decline in turnover and profit with 80% and 75%, respectively, while businesses that operate 5 kilometers away reported a decline of only 30% and 36% in terms of turnover and profitability, respectively. In short, the research findings indicate that the small businesses operating closer to a large retailer or supermarket are most likely to be negatively affected compared to those small businesses whose area of operation is farther from the supermarket. Similarly, Migdadi and Abdel-Rahman (2020) examined the effects of Carrefour, Safeway, and C-Town on various retail stores in Jordan and found that the impact of retail stores location dimensions was moderate to low in two cases, and low in one case. This indicates that locating store's branches in high access, visible, and attractive location have low to moderate servicescape quality.

Congruent with the previous studies, this study assessed the effects of the supermarket on small retail businesses in Candelaria, Quezon, Philippines. With the absence of studies conducted within the area, the study provides initial solution for the small retailers to minimize the adverse effect of the existence of Walter Mart Supermarket. This provides fundamental data for provincial areas targeted by urbanization through establishments of malls, hypermarkets or similar large-scale chain stores.

## 2. Literature review

### 2.1. Food Retail Industry in the Philippines

Republic Act 8762, also known as the Retail Trade Liberalization Act of 2000 governs the retail trade business in the country. Modern food retailing businesses, such as supermarkets become an essential part of the everyday lives of the people, especially those residing in the urban areas. Since 1997, the retail industry plays a significant role in boosting the Philippine economy. In 2019, as per data published by Statista Research Department:

“...the country’s food retail sales were valued at approximately 50 billion U.S dollars, almost twice the value compared to ten years ago. In addition, expenditure on food items was the highest type of spending of Filipino households, amounting to nearly three trillion Philippine pesos as of 2019”.

Moreover, during 2020, leading supermarkets dominated the food retailing sector in the country, as per data released by Statista (see table 1). Despite the ongoing Covid-19 pandemic, Filipino consumption has substantially increased. With this, supermarkets and hypermarkets have been the popular ground for bulk consumption.

**Table 1**

*Retail sales by large supermarkets in the country in the year 2020*

Name of Supermarket	Retail Sales (in million U.S. dollars)
Robinsons Supermarket	1,348
SM Supermarket	1,323
Save More Supermarket	1,263
Puregold	457
Metro Supermarket	397
Waltermart Supermarket	373
Marketplace	300
Gaisano Grand Mall Supermarket	253
NCCC Supermarket	241
Gaisano Capital Market	132

*Source: Statista*

Parts of most Filipino's grocery checklist are packaged goods which ranged from processed meats and seafood, as well as dairy, savory snacks, edible oils, rice, pasta, and noodles. Waltermart Supermarket is a modern retailed business in the food industry, with an overwhelming number of stores throughout the country for the year 2019 (see table 2), and reported an impressive sales of 373 million US dollars for the year 2020 (see table 1).

**Table 2**

*Number of Supermarkets in the Philippines in 2019, by retail outlets*

<b>Name of Supermarket</b>	<b>Number of Stores</b>
Alfamart	578
SaveMore	194
SM Supermarket	57
SM Hypermarket	53
Waltermart	52

*Source: Statista*

In this regard, it can be inferred that the food retail sector in the country is dominated by large food retailers such as supermarkets and hypermarkets.

## ***2.2. Role of Retailing***

According to Mathenjwa (2010), “*the retail industry is the last link in the marketing channel from the producer to wholesaler*”. In this regard, the retailers play a vital role as market intermediaries between manufacturers and consumers. As supported by Tustin (2004), retailer acts as agents between the manufacturer and consumer using informing the party concerned of what is there offered and what are the demands of consumers.

The inception of the retail industry has been the underlying cause of growth within the economy. Numerous forms of retailing have been developed over time. For instance, the creation of supermarkets in the 1930s was a successful movement in the field of business and finance. Likewise, Levy and Weitz (2006), Ray and Clarke (2020), Borraz et al. (2013) add the rise of services retailing paved the way to the development of new modes of retailing and institutions such as food delivery services and firms. The common feature of all formats known and business institutions is that they exist to answer the consumers' needs and wants.

### ***2.3. Expansion of Large Retailers***

To sustain their growth, large companies move towards different places as part of their strategy to further expand their operation. Lighthelm (2012) mentions that the retail industry serves as a catalyst in which it provides economic boosts and social welfare. With different types of businesses being established almost anywhere, it provides people with a wide range of choices. However, a recent study was conducted with the goal of developing a retail strategy for Soweto indicating the need to improve the retail choices of the people along with the services it provides within downtown areas (Makhitha, 2016). Hlengani (2007) as cited in Mathenjwa (2010), found Soweto's retail spending power above R2.4bn annually, but that only R1.05bn was being spent in the township.

This has created a lot of interest involving developers, businessmen, and investors to expand their operations to rural areas with the promise of economic changes. Research by Tustin and Styrdom (2006) supported the aforementioned study by giving the contributing factors to the growth of interest to expand, namely: the emergence of the middle class, particularly those residing in Soweto. This led to the establishment of larger-scale retail centers in Soweto, such as Protea Glen, followed by Jabulani Mall and the much anticipated Mponya Mall (Hlengani, 2007). Consequently, it affects the small retail businesses around its vicinity with the heightened market competition. It is for this reason that the current study focuses on the effect of large retailers on small retailers and the response of these small businesses thereof.

### ***2.4. Effects of Retail Development in Emerging Markets***

Lighthelm (2012) worked with a study that investigated the impact of shopping mall existence on existing small informal retailers in the Soshaguve Township. The study revealed that there was a relationship between the distances of small retailers from the shopping mall and argued that effective customer service might be the key to survival in the prevailing market competition with large competitors.

Accordingly, a tabulation of results is hereby presented, as cited in the study of Mathenjwa (2010) derived from a previous study by Lighthelm (2012) on the relationship between the distances of small retailers in Soshanguve and the percentage decline in terms of turnover and profit.

**Table 3**

*Percentage of small retailers in Soshanguve that reported a decline in business activity by distance from mall*

<b>Distance from the Mall</b>	<b>Decline in turnover (%)</b>	<b>Decline in profit (%)</b>
Less than 1km	80,0	75,0
1,1 to 2km	71,4	61,9
2,1 to 3km	78,9	73,7
3,1 to 4km	60,0	70,0
4.1 to 5km	30,0	36,8

From the given data in table 3, it can be derived that indeed, distance affects the business activity of small retailers. As shown, businesses that operate less than 1 kilometer from a supermarket or mall reported a decline in turnover and profit with 80% and 75% respectively, while businesses that operate 5 km away reported a decline of only 30% and 36% in terms of turnover and profitability, respectively. In short, the research findings indicate that the small businesses operating closer to a large retailer or supermarket are most likely to be negatively affected compared to those small businesses whose area of operation is farther from the supermarket.

The present research is similar to this study but extends further by looking at the response of the small retailers in examining the effect brought upon the existence of Waltermart Supermarket.

Mathenjwa (2010) as cited by Ikadeh and Cloete (2020) conducted a study that assessed the impact of large formal retailers by means of collecting data from small retailers. The study surveyed 222 small retailers in five rural Nebraska communities in which Wal-Mart stores had opened. The study discovered 72 percent affected by Wal-Mart, 53 percent suffered a negative consequence, while only 19 percent enjoyed positive effects. Of those retailers negatively affected, 22 percent experienced a decline in revenues of less than 10 percent during the 12 months, over 30 percent claimed declined more than 10 percent, while only 1 percent indicated increased by less than 10 percent.

Mcgee (1996) examined how small businesses adapt to the environment after the market entry of a big retailing competitor and found that most small retailers' perception of the existence

of large retailing companies has an adverse impact on their business operations. Accordingly, half of the respondents revealed a decrease in their sales and profit due to the existence of a huge competitor. All these ideas point out to emphasize the negative impact felt by small retailers due to the entrance of large retailers into the market. However, one should not set aside the positive impacts of retail development.

The following studies shed light on some of the positive impacts; although it applies directly towards consumers and resident communities. For instance, Guy and Bennison (2002) found evidence that establishing a superstore brings substantial benefits to consumers, mainly a wider range of products and lower prices. Moreover, due to its environment, it attracts buyers which in turn increases expenditure that stimulates development and progress in any local economy. Similarly, Mitchell and Kirkup (2003) state that retail development is a pivotal element that revives some areas that were left behind in UK's towns and cities. In their study, they argued that the establishment of retail stores provides a new social network and helps contribute to lowering the crime rate and provides a safer environment. Another good point to note is that retail development provides wealth to the community and to its people by means of wages and business contribution.

McIntosh (2002) has a different view on modern supermarket development, which it provides improvement to landscaping and how other people perceived the area. Furthermore, McIntosh (2002) as cited by Mathenjwa (2010) observes that that increased supermarket competition arising from new retail development within disadvantaged urban areas can lead to a reduction in the real price of food. While small retail businesses primarily offer food items, they may not be able to keep up with the prices, which in turn, greatly threatens one's survival. In this regard, they may be forced to close their businesses when they are no longer making profits.

With the gathered literature and studies, it is considered evident enough that the continued presence of large retail formats such as shopping centers and supermarkets has an impact on the retailing dynamics in emerging markets. Although there is a lot of evidence that draws a connection between retail development and its effect on small businesses, its effect is not adequately documented. An understanding of the effects of retail competition from large retailers on small retailers is not complete without an assessment of the response of these small retailers to this competition. The following section will deal with the response of small retailers to competition from large retailers.

### *2.5. The Response of Small Retailers to Competition from Large Retailers*

According to Peterson and McGee (2000), small retailer needs marketing strategies in order to reduce the pressure imposed by the existence of large retail businesses. These marketing strategies involved, but are not limited to increasing promotional efforts, adding or diversifying products, and pruning products. However, small retailers strongly do not encourage small retailers in lowering their prices as a response to the market competition with a large retail business. As opposed to the idea of implementing marketing strategies in order to mitigate the market competition, McGee and Festervand (1996) does not support these prescriptions. In his study, he collected data pertaining to the responses of rural towns in the US on the existence of Wal-Mart and how these small retailers adjusted their strategy. Interestingly, the result of the study yielded that neither group made any marketing adjustments nor adjust their strategy.

In connection to the above study, Peterson & McGee (2000) studied the six management responses namely: (1) changes in product mix; (2) store layout; (3) changes in service mix; (4) store hours; (5) store size; and (6) store location. Despite the negative responses of most retailers with regards to the impact of large retail business in their operations, half of the respondents in the study revealed that they do not take any actions mentioned in response to the existence of a large retail business within their community. This may be attributable to the unwillingness or perhaps they are in disbelief with the effectiveness of such strategies.

The large retail business's primary weapon in competing in the market is through low pricing of products and offering discounts. As contested by Taylor and Archer (1996) in their study, it is difficult to match this strategy most especially by small retailers. Covin and Covin (1990) suggest that instead of competing directly, small retailers may take actions such as improving customer service and/or product specialization or customization. In addition, Stone (1995) recommendation is to offer different/ new products in the market or provide complimentary merchandise.

On the other hand, some other researchers argue the importance of coexistence strategies. McGee and Rubach (1997) pioneered a study that focused on understanding and comparing the behavior of small retailers whose operations are adversely affected by the existence of Wal-Mart by those who are not directly affected. In their study, they classified two types of environment according to the competitive pressure felt by small retailers namely: a hostile environment for



retailers who have experienced negative impact and a benign environment for those who were not affected. McGee and Rubach argued as cited in Mathenjwa (2010):

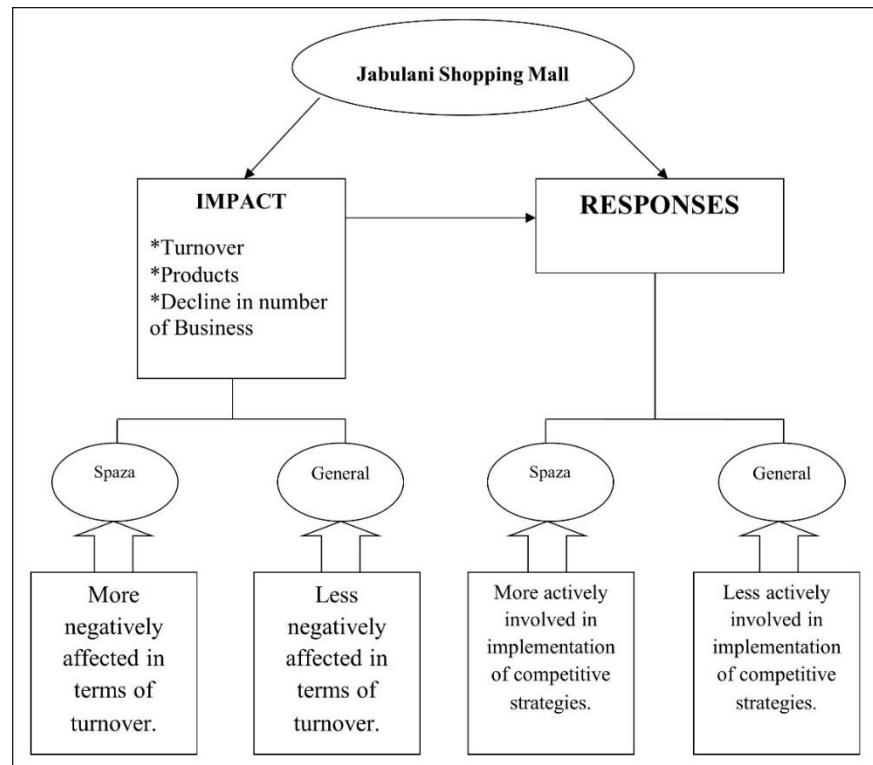
*“...a complex pattern of competitive behavior, including the combination of creative pricing tactics and superior merchandising practices, was the most effective behavior for small retailers competing in hostile environments. In a benign environment, on the other hand, they suggest that the most appropriate competitive behavior should involve a clear focus on satisfying selective target”.*

Moreover, in the study of Lee et al. (2008) it was mentioned that different strategies were useful for small retailers with their competition towards a large retailer. These strategies were classified into: (a) marketing strategies; (b) merchandising strategies; (c) customer service strategies and (d) business operations strategies.

Lastly, some other researchers argued about the relevance of the number of small retailers around a large retailer towards their competitive response to the market situation. In connection to this, Mohd and Melewar (2008) emphasize the importance of the role of the government in regulating the number of small retailers doing business around a large retailer for it imposes too much competition that may lead to some problems if they are not equipped to compete.

**Figure 1**

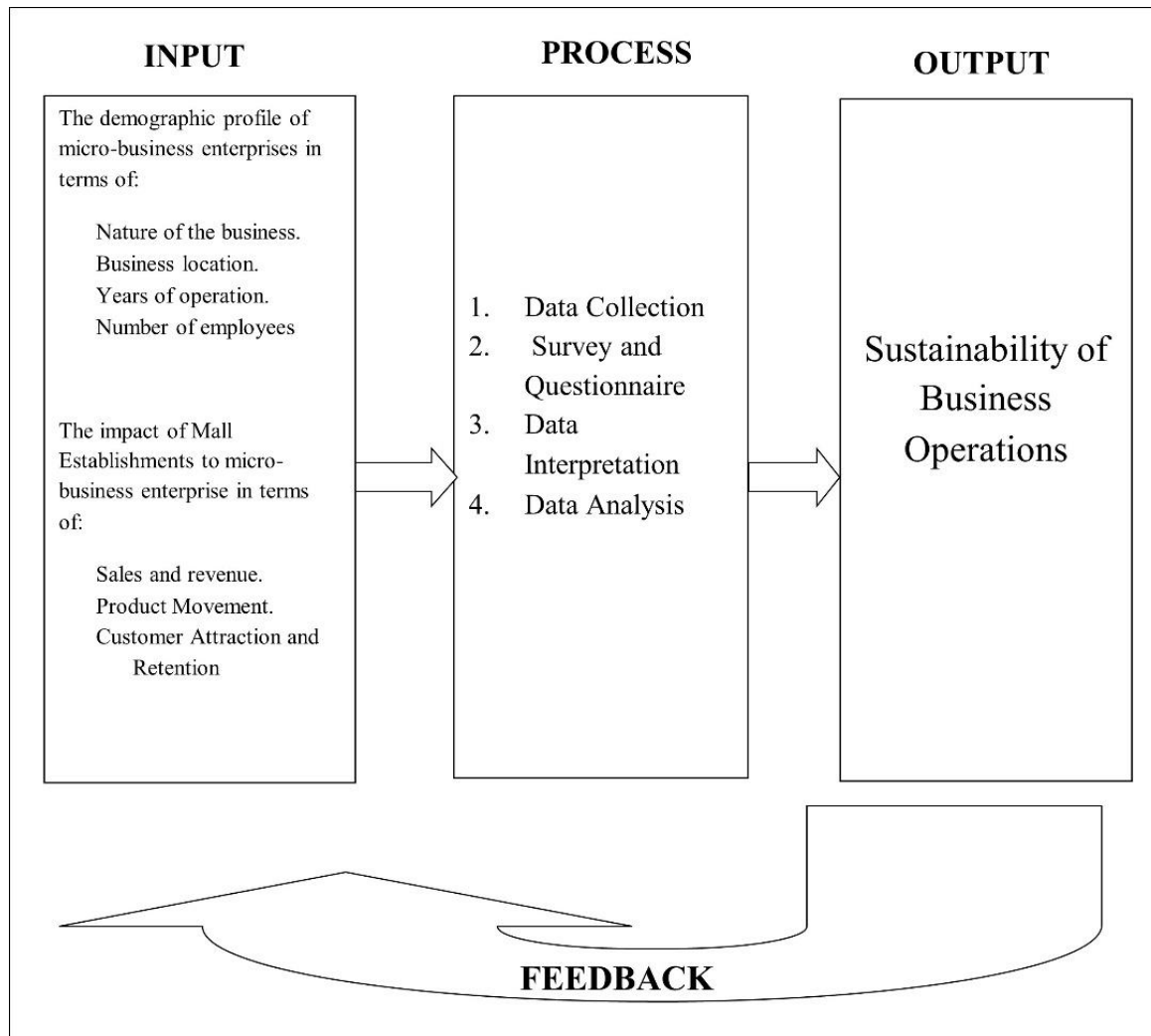
*The relationship of variables as used in the study of Mathenjwa (2010)*



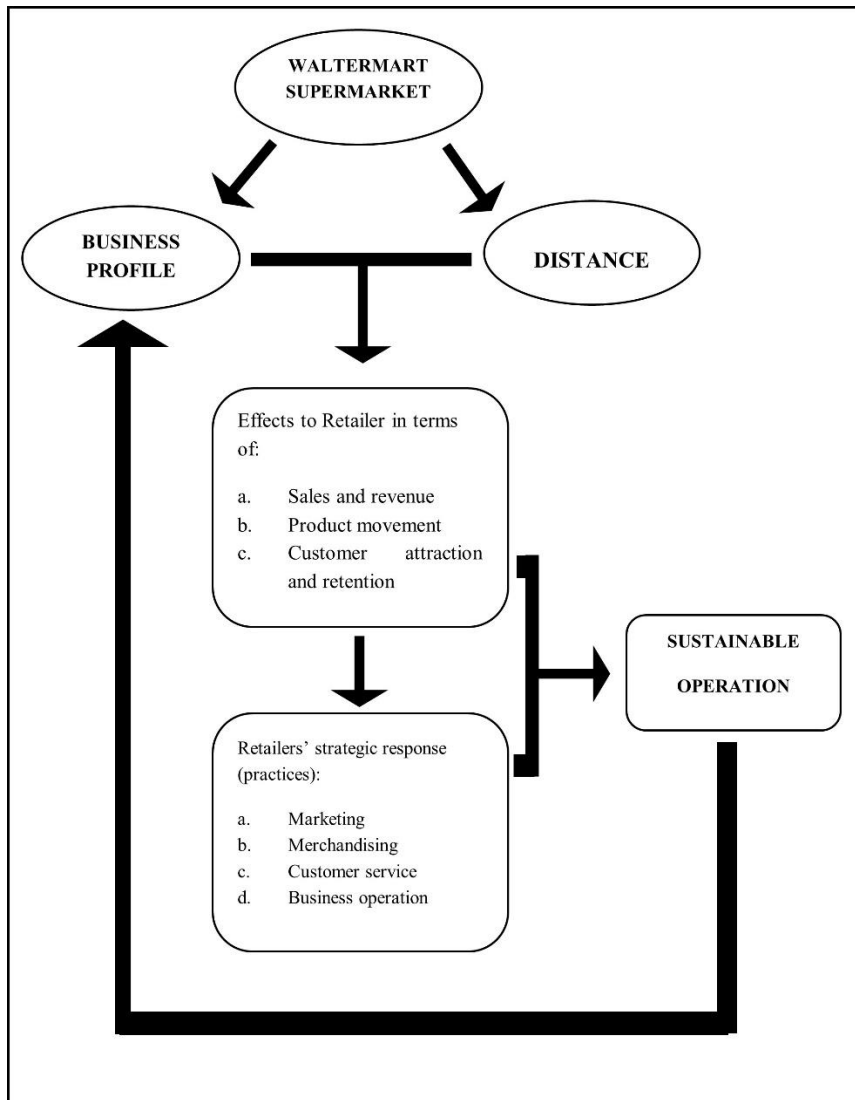
Based on the study of Mathenjwa (2010), the study presented a model that focuses on the impact of competition from large retailers on small retailers and the response of these businesses to the competitive pressures at the market. The response of these small retailers is simulated by the impact of the large retailers (see figure 1).

**Figure 2**

*The relationship of variables as used in the study of Cantuba, et.al (2015)*



In addition, a local study conducted by Cantuba et al. (2015) presented a model that relates to the impact of mall establishment on micro-business enterprises as a basis for business continuity (see figure 2).

**Figure 3***Conceptual Framework for a Sustainable Operation of Small Retail Business*

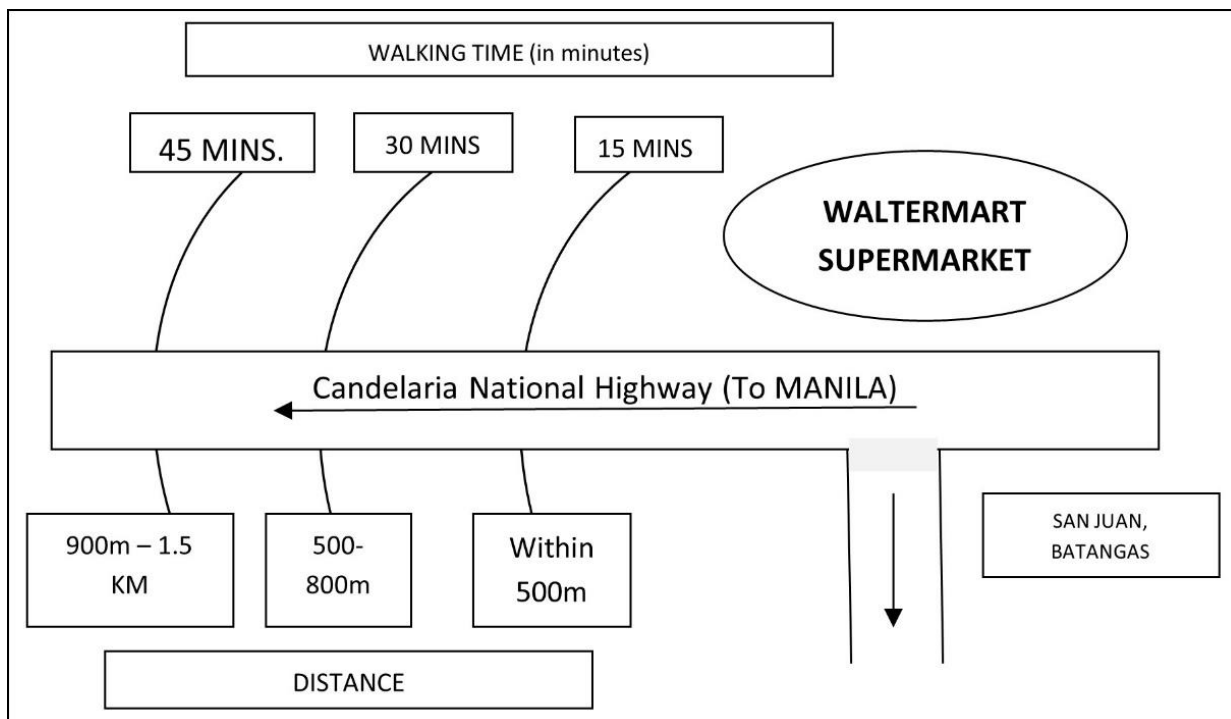
This study develops a framework as shown in figure 3 that shows the relationship of variables used. Business profile and distance are important variables to assess the effects of Waltermart Supermarket on the operation of the retailers. The study assesses the effects of the supermarket on retailers in terms of their (a) sales and revenue, (b) product movement, and (c) customer attraction and retention. After evaluating the effects, the study assesses the different strategies and practices like (a) marketing, (b) merchandising, (c) customer service, and (d) business operation employed by the retailers to maintain a sustainable operation.

### 3. Methodology

The study employed the descriptive method of research. As a widely accepted method, the descriptive method of research is a fact-finding study that involves adequate and accurate interpretation of data. It is used to gather information regarding the effects of Waltermart Supermarket on small retail businesses in Candelaria, Quezon, Philippines.

**Figure 4**

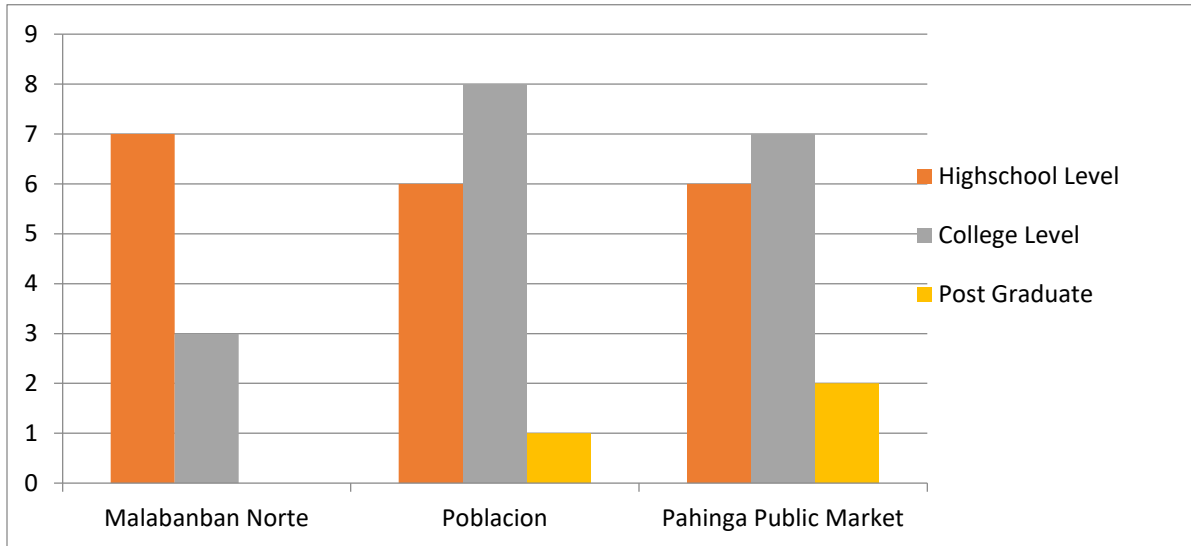
*Sample Design Map*



A total of sixty (60) registered multitudes of retailers that were most likely affected by the presence of Waltermart Supermarket were used as the sample. The sampling design map (see figure 4) was used as a guide to determine the number of respondents per given distance. Accordingly, the farther the location of small retailers, the little the number of respondents to be gathered from that location or area, inversely, the near the location of small retailers to Waltermart Supermarket, the greater the number of respondents to be gathered from a specific location which covers Malabanban Norte, Poblacion (the town proper) and Pahinga Public Market. The demographic profile of the retailers is presented in the following figures and table.

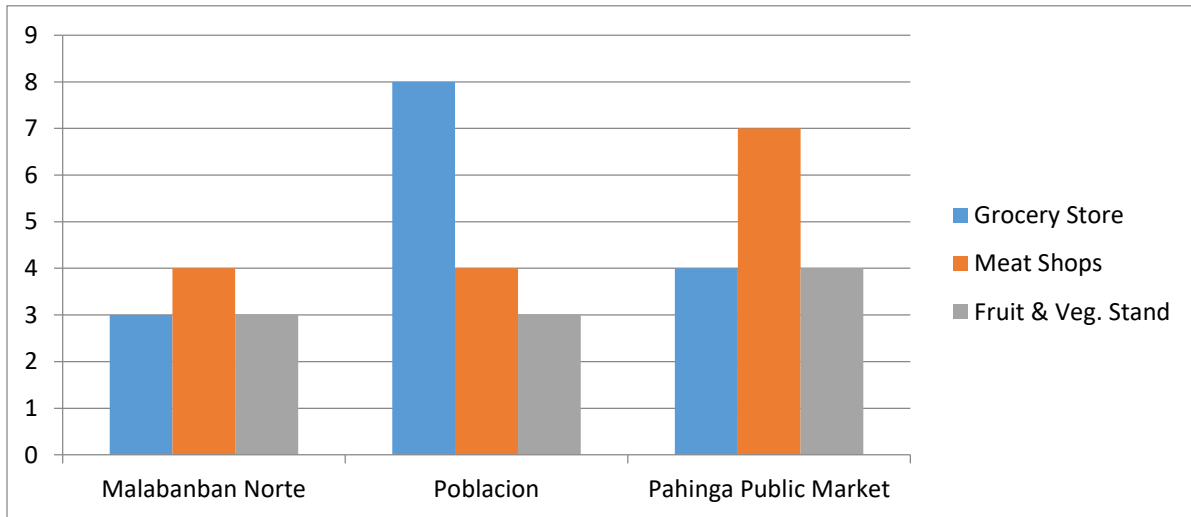
**Figure 5**

*Educational Attainment of Small Retail Business Owners and Managers*



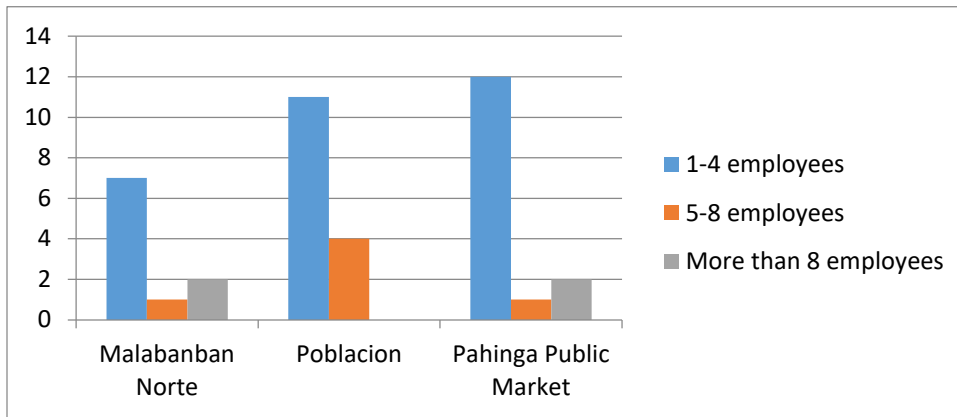
**Figure 6**

*Nature of the Business*



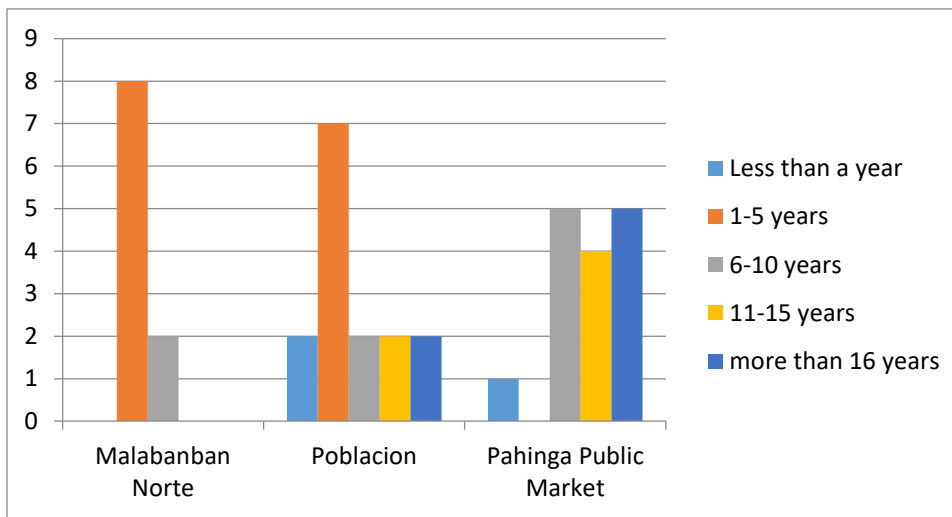
**Figure 7**

*Number of employees*



**Figure 8**

*Years of Operation*



**Table 4**

*Distance and number of businesses near Waltermart Supermarket*

Business Location	Distance from Waltermart Supermarket	Frequency	Percentage	Rank
Malabanban Norte	within 500 meters	30	50.00%	1
Poblacion	500m - 800m	20	33.33%	2
Pahinga Public Market	900m – 1.5km	10	16.67%	3

The main instrument used for the study is a survey questionnaire that consists of four parts. The first and second part of the questionnaire is about the retailers' profile and distance from the Waltermart Supermarket. The third part of the instrument was adapted from the questionnaire of Cantuba et al. (2015) that pertains to the effects of Waltermart Supermarket on small retailers. The fourth and last part of the instrument was adapted from Lee et al. (2008) that pertains to the strategies used by the small retailers to sustain their operation and survive the competition imposed by larger retailers.

The researcher distributed and retrieved the instrument. Data were interpreted and analyzed by means of frequency, percentage, mean, and analysis of variance.

#### 4. Findings and Discussion

**Table 5**

*Effects of Waltermart Supermarket to Small Retailers in terms of Sales and Revenue*

	<b>Indicators</b>	<b>Weighted Mean</b>	<b>Verbal Interpretation</b>	<b>Rank</b>
1	The order size of existing customers has decreased upon the existence of Waltermart Supermarket.	2.75	Moderately Agree	5
2	Sales quota decreased.	2.80	Moderately Agree	4
3	There is a decrease in the rate of discount and/or consignment.	3.05	Moderately Agree	3
4	Monthly gross sales have decreased upon the existence of Waltermart Supermarket.	3.15	Moderately Agree	2
5	Monthly profit has decreased upon the existence of Waltermart Supermarket.	3.20	Moderately Agree	1
	<b>Overall Weighted Mean</b>	<b>2.99</b>	<b>Moderately Agree</b>	

Table 5 summarizes the effects of Waltermart Supermarket on the sales and revenue of small retail businesses. (Statement 5) "*Monthly profit has decreased upon the existence of Waltermart Supermarket.*" ranked no. 1 with a weighted mean of 3.20 and verbal interpretation of Moderately Agree. (Statement 4) "*Monthly gross sales have decreased upon the existence of Waltermart Supermarket.*" ranked no.2 with a weighted mean of 2.15 and verbal interpretation of Moderately Agree. (Statement 3) "*There is a decrease in the rate of discount and/or consignment.*" ranked no. 3 with a weighted mean of 3.05 and verbal interpretation of Moderately Agree. (Statement 2) "*Sales quota decreased.*" ranked 4 with a weighted mean of

2.80 and verbal interpretation of Moderately Agree. (Statement no. 1) *“The order size of existing customers has decreased upon the existence of Waltermart Supermarket.”* ranked 5 with a weighted mean of 2.75 and verbal interpretation of Moderately Agree. The data gathered from small retailers shared the result almost the same as research conducted in the international studies. The existence of large retailers truly affects the sales and revenue of small retailers around the vicinity. In general, an overall weighted mean for sales and revenue was computed and yields 2.99 with a verbal interpretation of Moderately Agree.

**Table 6**

*Effects of Waltermart Supermarket to Small Retailers in terms of Product Movement*

	<b>Indicators</b>	<b>Weighted Mean</b>	<b>Verbal Interpretation</b>	<b>Rank</b>
1	The volume of (product/stocks) ordered from the distributor decreased upon the existence of the Waltermart Supermarket.	2.73	Moderately Agree	5
2	Number of inventory replenishment decreased upon the existence of the Waltermart Supermarket.	2.90	Moderately Agree	4
3	The conversion of product into cash or credit increased upon the existence of the Waltermart Supermarket.	3.13	Moderately Agree	2.5
4	The movement of goods into, through and out of a place decreased.	3.13	Moderately Agree	2.5
5	The number of goods sold decreased.	3.25	Moderately Agree	1
	<b>Overall Weighted Mean</b>	<b>3.03</b>	<b>Moderately Agree</b>	

Table 6 shows the effects of Waltermart Supermarket on small retailers in terms of product movement. (Statement 5) *“The number of goods sold decreased.”* ranked no. 1 with a weighted mean of 3.25 and verbal interpretation of Moderately Agree. (Statement 3) *“The conversion of product into cash or credit increased upon the existence of the Waltermart Supermarket.”* (Statement 4) *“The movement of goods into, through and out of a place decreased.”* ranked no. 2.5 with a weighted mean of 3.13 and verbal interpretation of Moderately Agree. (Statement 2) *“Number of inventory replenishment decreased upon the existence of the Waltermart Supermarket.”* ranked no. 4 with a weighted mean of 2.90 and verbal interpretation of Moderately Agree. (Statement 1) *“The volume of (product/stocks) ordered from the distributor decreased upon the existence of the Waltermart Supermarket.”* and. ranked no.5 with a weighted mean of 2.73 and verbal interpretation of Moderately Agree. The movement and flow



of products and merchandise were negatively affected by the existence of a large retailer. Thus, affects the inventory turnover of small retailers. In general, an overall weighted mean for product movement of small retailers was computed and yields 3.03 with a verbal interpretation of Moderately Agree.

**Table 7**

*Effects of Waltermart Supermarket to Small Retailers in terms of Customer Attraction and Retention*

	<b>Indicators</b>	<b>Weighted Mean</b>	<b>Verbal Interpretation</b>	<b>Rank</b>
1	The number of old customers duly patronizing the products decreased upon the existence of Waltermart Supermarket.	3.23	Moderately Agree	3
2	The number of walk-in customers decreased upon the existence of Waltermart Supermarket.	2.95	Moderately Agree	5
3	Unavailable products that suit customer's demand.	3.35	Moderately Agree	2
4	Lacks complementary products offer to customers	3.45	Moderately Agree	1
5	A decline in rewards, points, and discounts given to customers and customer with bulk order.	3.13	Moderately Agree	4
	Overall Weighted Mean	3.22	Moderately Agree	

Table 7 shows the effects of Waltermart Supermarket on small retailers in terms of customer attraction and retention. (Statement 4) *“Lacks complementary products offer to customers”* ranked no. 1 with a weighted average of 3.45 and verbal interpretation of Moderately Agree. (Statement 3) *“Unavailable products that suit customer's demand,”* ranked no. 2 with a weighted average of 3.35 and verbal interpretation of Moderately Agree. (Statement 1) *“The number of old customers duly patronizing the products decreased upon the existence of Waltermart Supermarket.”* ranked no. 3 with a weighted mean of 3.23 and verbal interpretation of Moderately Agree. (Statement 5) *“A decline in rewards, points, and discounts given to customers and customer with a bulk order.”* ranked no 4 with a weighted mean of 3.13 and verbal interpretation of Moderately Agree. (Statement 2) *“The number of walk-in customers decreased upon the existence of Waltermart Supermarket.”* ranked no 5 with a weighted mean of 2.95 and verbal interpretation of Moderately Agree. In general, an overall weighted mean for

customer attraction and retention of small business retailers was computed and yields 3.22 with a verbal interpretation of Moderately Agree.

The last part of the survey questionnaire is about the different strategies and practices employed by small retailers to maintain sustainable operation in terms of (a) marketing practices, (b) merchandising practices, (c) customer service practices, and (d) business operation practices.

**Table 8**

*Strategic response and practices employed by small retailers to maintain sustainable operation*

Strategic Response and Practices	Malabanban Norte		Poblacion		Pahinga Public Market		Total	
	%	Rank	%	Rank	%	Rank	%	Rank
Marketing	94	2 <sup>nd</sup>	85	2 <sup>nd</sup>	83	3 <sup>rd</sup>	87.33	2 <sup>nd</sup>
Merchandising	75	4 <sup>th</sup>	77	4 <sup>th</sup>	80	4 <sup>th</sup>	77.33	4 <sup>th</sup>
Customer Service	85	3 <sup>rd</sup>	83	3 <sup>rd</sup>	93	2 <sup>nd</sup>	87.00	3 <sup>rd</sup>
Business Operation	97	1 <sup>st</sup>	89	1 <sup>st</sup>	98	1 <sup>st</sup>	94.67	1 <sup>st</sup>

Table 8 shows the strategic response and practices used by small retailers to maintain sustainable operation in the presence of Waltermart Supermarket. It can be observed that Malabanban Norte and Poblacion have the same order of practices employed to maintain sustainable operation which is, ‘business operation’ as the primary practice, followed by ‘marketing’, then ‘customer service’ and last is the ‘merchandising’. Pahinga Public Market also employed ‘business operation’ as their primary practice to maintain a sustainable operation, following the practice of ‘customer service’, ‘marketing’ and ‘merchandising’. In total, small retailers employed and choose ‘business operation’ as a primary practice to maintain sustainable operation in the presence of Waltermart Supermarket, with ninety-four and sixty-seven percent (94.67%), followed by ‘marketing’ ranked no. 2 with eighty-seven and thirty-three percent (87.33%), ‘customer service’ ranked no. 3 with eighty-seven percent (87%), and ‘merchandising’ ranked no. 4 with seventy-seven and thirty-three percent (77.33%).

## 5. Conclusion

This study assessed the effects of Waltermart Supermarket on small retail businesses in Candelaria, Quezon, Philippines. Using the adapted questionnaire from Cantuba et al. (2015),

retailers assessed the effects of Waltermart Supermarket on their sales and revenue, product movement, and customer attraction and retention using a 5-scale Likert style. The adapted questionnaire from Lee et al. (2008) assessed the strategic response and practices used by small retailers to maintain sustainable operation using marketing practices, merchandising practices, customer service practices, and business operation practices using 5-scale Likert style. The sampling design map was used as a guide to determine the number of respondents per given area. Accordingly, the farther the location of the small retailers, the lesser the number of respondents from that area, inversely, greater number of respondents will be assigned to the location or area nearest to Waltermart Supermarket. A total of sixty (60) registered multitudes of retailers that were most likely affected by the presence of Waltermart were used as the sample, thirty (30) of these were from Malabanban Norte, twenty (20) from Poblacion, and ten (10) from Pahinga Public Market. As to the business's profile, majority of the managers and owners from Malabanban Norte were high school graduates, while most of the managers and owners from Poblacion and Pahinga Public Market were college graduates. As to the nature of the business, findings revealed that meat shops dominate the Malabanban Norte and Pahinga Public Market area, while most of the retailers in Poblacion were engaged in grocery stores. Employers also prefer to have one (1) to four (4) employees, and as to years in operation, it is noticeable that the retailers in Pahinga Public Market have the longest years in operation with an equal percentage of six (6) to ten (10) years, and above sixteen (16) years in operation.

When it comes to the effects of Waltermart Supermarket, findings revealed that retailers are moderately affected by the presence of Waltermart Supermarket on customer attraction and retention (3.22), product movement (3.03) and sales and revenue (2.99). In terms of strategic practices used, findings revealed that 'business operation practices' as a primary strategic response to maintain sustainable operation (94.67%), followed by marketing practices (87.33%), 'customer service practices' (87%), and 'merchandising practices' (77.33%).

For this, retailers need to continue an effective business operation practice and enhance the quality, competitiveness, and availability of the product through good inventory quality control management. Business owners and managers also need to re-design and re-organize the store and maintain cleanliness with proper ventilation to uphold the integrity of the store and increase convenience for the customers. Small retailers can also offer competitive prices by reducing operational costs through monitoring and controlling. Selling bundle products, offering

complementary goods, giving discounts and freebies can also attract more customers. As the study offers an assessment of the effects of Waltermart Supermarket on small retailers, the results suggest an in-depth analysis of the impact of the supermarket on the retailer's performance through financial ratios.

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