

## THE GROWTH OF COLLEGIATE-OWNED ONLINE BUSINESS AMIDST COVID-19 PANDEMIC

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### ABSTRACT

The coronavirus disease 2019 (COVID-19) Pandemic had compelled the business industry to further embrace e-commerce. A notable micro, small, and medium enterprises (MSMEs) in this time were collegiate-owned online businesses, having an observable incremental increase in number within the period. This descriptive-correlational research evaluates the level of effectiveness of the marketing mix in terms of product, price, place, and promotion as utilized by these establishments and assesses whether it constitutes towards its growth in terms of sales, profit, number of customers, and number of assets. The purposive sampling design was used to survey 100 (one hundred) respondents. After gathering and interpreting the results from the survey, the data revealed that the product mix was ranked as the most effective among the marketing mix and the moderate growth was the number of customers. Furthermore, results imply that there is no significant difference in the level of effectiveness of the marketing mix and growth when grouped according to demographics. Moreover, the data also infers that there is no significant relationship between the level of effectiveness of the marketing mix and its growth of collegiate online businesses in Iloilo City during the COVID-19 Pandemic.

*Keywords: Collegiate, Online Business, Marketing Mix, Growth, COVID-19 Pandemic*

### INTRODUCTION

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In any business, their marketing mix is the prime mediating technique or strategy that enables their organization to direct scarce resources toward the most promising prospects for improved sales and long-term competitive advantage (Torre, et al., 2014). By considering the marketing mix, businesses anticipate growth soon after. Their ability to compete in the market with other establishments is

crucial to their survival. Growth decreases the possibility of closing small businesses (Rauch & Rijksik, 2013).

Recent developments of COVID-19 had caused a significant economic shock; Sraders and Lambert (2020) concluded that nearly 60% of establishments worldwide were temporarily shut down due to the pandemic and are now out of business. Regardless of the repercussions

of COVID-19, youth enterprises are still considered as an essential factor of increasing economic development in terms of job creation, product and service innovation, market competition, community revival, and income generation (Riahi, 2010).

This paper is anchored on two (2) theories; the first is the Marketing Mix Theory of Kotler (1980). The Marketing Mix proposed by Kotler is the set of controllable variables that the firm can use to influence the buyer's response". There are things that a company may do to impact the demand for its product. With that, the controllable variables in this context refer to the 4 'P's; product, price, place, and promotion.

The second theory is the new growth theory by Liberto (2021). This hypothesis is an economic concept that states that human's unlimited wants and desires generate ever-increasing productivity and economic prosperity. It claims that real gross domestic product (GDP) per person will continue to rise indefinitely due to people's desire for profit.

This study is likewise based on the concept of the effectiveness of the marketing mix and growth of collegiate-owned online businesses in Iloilo city amidst COVID-19 pandemic. The antecedent variable are profile of the respondents which includes their age, sex, location, family monthly income and the profile of the collegiate-owned online businesses in terms of capital, years in business, online selling platform and mode of delivery. The independent variable is the effectiveness of the marketing mix and the dependent variable is the growth of the collegiate-owned online businesses in Iloilo City. The marketing mix is critical for

planning, developing, and implementing effective marketing strategies. All elements that make up the marketing mix interact (Hill, 2016). Establishing growth strategies should always be considered in business operations. Combining the fundamentals of macroeconomic and microeconomic growth into a unified field allows for the development of scenarios, future scenarios, and concrete growth strategies to be implemented to a business (Belohlavek, 2015).

Based on these premise, the following objectives were formulated:

1. To describe the profile of the respondents in terms of age, sex, location, and family monthly income.

2. To describe the profile of collegiate-owned online businesses in terms of capital, years in business, online selling platform, and mode of delivery.

3. To determine the level of effectiveness of the marketing mix of the collegiate-owned online businesses in Iloilo amidst COVID-19 pandemic in terms of product, price, promotion, and place when respondents are taken as a whole and when grouped according to age, sex, location, family monthly-income, capital, years in business, online selling platform, and mode of delivery.

4. To determine the growth of collegiate-owned online businesses in Iloilo City amidst COVID-19 pandemic in terms of sales, profit, number of assets, and number of customers when respondents are taken as a whole and when grouped according to age, sex, location, family monthly-income, capital, years in business, online selling platform, and mode of delivery.

5. To determine if there is a significant difference in the level of effectiveness of

the marketing mix of collegiate-owned online businesses in Iloilo City during the COVID 19 Pandemic in terms of product, price, promotion, and place when grouped according to age, sex, location, family monthly-income, capital, years in business, online selling platform, and mode of delivery.

6. To determine if there is a significant difference in the growth of collegiate-owned online businesses in Iloilo City during the COVID-19 pandemic in terms of sales, profit, number of assets, and

number of customers when grouped according to age, sex, location, family monthly-income, capital, years in business, online selling platform, and mode of delivery.

7. To determine if there is a significant relationship between the level of effectiveness of the marketing mix and the growth of collegiate-owned online businesses in Iloilo City amidst COVID-19 pandemic.

## METHODOLOGY

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The study utilized the quantitative approach specifically descriptive-correlational design. The study involved one hundred (100) respondents chosen using the purposive sampling method. The respondent must fall under the following criteria to be eligible for this study; a. the respondents must be a collegiate student who operates and owns his or her own online business; b. the respondent needs to be operating their online business in Iloilo City; and, c. the respondents' online business must have their commercial operations established, or continued during the COVID-19 Pandemic.

To gather relevant data, a researcher-made instrument duly validated by experts and tested for reliability was employed in the study. The data gathering procedures were conducted through an online survey. There were two (2) media platforms that were interchangeably utilized to conduct the survey; the first was through an active email address of the respondents containing a link to the questionnaire in a

google form, and the second was through Facebook-messenger also containing a link to the questionnaire in a google form. The researchers retrieved the active email address of the respondents and their respective email and Facebook account from the various online selling pages on Facebook as it became the channel of distribution of the research instruments in Google forms. The research instrument was composed of three (3) subparts. The items for part I asked questions about the profile of the respondents and the collegiate owned online business, in terms of age, sex, location and family monthly income; and capital, years in business, online selling platform, and mode of delivery, respectively.

The data gathered were subjected to further computation and analysis through the following procedures; first, the raw numerical data of sales, profit, number of assets, and number of customers in the fiscal year 2020 and the fiscal year 2021 were extracted from the questionnaire;

second, the variables of growth; sales, profit, number of assets, and number of customers were converted to a value on an ordinal scale by calculating the two (2) values from the fiscal year 2020 and the fiscal year 2021 with the formula: Growth Rate =  $\frac{\text{Present Value} - \text{Past Value}}{\text{Past Value}}$

Value, the result of the interpretation of the growth rates were then transmuted to a value in a 5-point Likert scale.

Statistical analysis used were mean, frequency count, percentages, Kruskal-wallis and Spearman rho.

## RESULTS AND DISCUSSION

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The following are the salient findings of the study:

The majority of the respondents consisting 69% were ages 21 and below, 64% were females, in terms of location, 53% lived inside Iloilo City; and 51% of them had an average monthly family income of ₱50,000 and above.

It was noted that most of the collegiate-owned online businesses had a capital of ₱10,000 and above consisting 56%; in terms of years in business majority existed for 2 years and below consisting 71%; majority utilized social media as their prime choice of online selling platform consisting of Facebook, Twitter and Instagram consisting 59%; and in terms of mode of delivery 63% of them used mix modes of delivery composed of delivery, meet-up, and drop off.

It was also observed that the most effective marketing mix of the collegiate-owned online businesses when respondents are taken as a whole and when grouped according to age, sex, location, family monthly income, capital, years in business, online selling platform, and mode of delivery is the product mix, having a mean greater than 4.21 (Very Effective).

The highest growth of the collegiate-owned online businesses when respondents are taken as a whole and when grouped according to age, sex, location, family monthly income, capital, years in business, online selling platform, and mode of delivery is the number of customers, having a mean score of 2.61 and above but lesser than 4.21 (Moderate Increase).

There is no significant difference in the level of effectiveness of the Marketing Mix of collegiate-owned online businesses in Iloilo City during the COVID-19 pandemic. Likewise, no significant difference in the growth of collegiate-owned online businesses in Iloilo City during the COVID-19 pandemic was also indicated.

Lastly, is no significant relationship between the level of effectiveness of the marketing mix and the growth of collegiate-owned online businesses in Iloilo City during the COVID-19 Pandemic.

Based on the findings of the study, the following are highly recommended:

1. For collegiate online business owners, it is recommended that they should focus more on their product as it is the most effective marketing mix among the 4Ps; this includes the quality, quantity,

variety, appeal, packaging, and etc. They should utilize social media as an online selling platform to market, advertise, and sell their products more effectively.

2. Collegiate online business owners should make use of a mixed mode of delivery consisting of delivery, meetups, and drop-offs. These give the customers more options to choose from when making a transaction. They should focus more of their efforts on increasing the number of customers of their businesses as this factor contributes most to the growth of their online business.

3. For college students interested in starting a business venture of their own, they should emphasize their product as it is considered the most effective factor of the marketing mix of collegiate online businesses that satisfies the needs and wants of their consumers most.

4. This study should be a feasible prospect for future researchers to use as a reference for future studies involving collegiate-owned online businesses.

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## ACKNOWLEDGMENT

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We would like to express our deepest and sincere gratitude and appreciation to every individual who extended their helping hand, support, and encouragement for the success and completion of this research study.

First and foremost, we owe and offer our thanks to our noble parents for their constant financial, and moral support which allowed us to achieve success in every step of this research journey. We are always grateful for your love.

We would also like to thank our beloved panelists, Dr. Carmen N. Hernandez, Dr. Lucio T. Encio, Dr. Irving Domingo L. Rio, Dr. Gynny G. Gumban and Dr. Mary Ann Dela Vega for their unending support, guidance, and wisdom.

We thank you for all the ideas and expertise you have shared with us.

To Prof. Joel M. Bual, Ph. D., Prof. Kristine M. Cepeda, M.A.Ed.; Prof. Lode Joy M. Bade, M.B.A.; and, Prof. Ian Jade E. Lozada, M.B.A., we would like to express our sincere gratitude for imparting to us your expertise in research through validating our instrument and for granting us your time and effort in aiding our statistical queries with patience and tactfulness.

And above all, to almighty God, for the strength, the gift of wisdom and knowledge that He bestowed upon us during the creation of this paper. He had never failed to guide and help us all throughout this research and this study will never be made possible without His Grace.