41

COMPARATIVE STUDY ON THE COST AND RETURN OF WHOLESALING AND RETAILING OF FRUITS AND VEGETABLES IN CAVITE CITY

THESIS

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A COMPARATIVE STUDY ON THE COST AND RETURN OF WHOLESALING AND RETAILING OF FRUITS AND VEGETABLES IN CAVITE CITY

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ABSTRACT

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This study was conducted to determine the: 1) socio-economic characteristics of wholesalers and retailers of fruits and vegetables in Cavite City; 2) different marketing practices employed; 3) different sources of fruits and vegetables marketed; 4) problems encountered by wholesalers and retailers in marketing fruits and vegetables; 5) cost of and return from wholesaling and retailing of fruits and vegetables in Cavite City; and 6) the difference in cost, gross return and profit obtained by wholesalers and retailers of fruits and vegetables in Cavite City.

Cavite City Public Market was chosen as place of the study. Thirty five wholesalers and the same number of retailers randomly selected were the sources of information for this study.

There was a slight difference in the mean age of wholesalers and retailers being 47.9 and 44.7 years, respectively. The level of education was generally low with more than one-half of the respondents reaching only elementary education. The mean annual family income was also higher for wholesalers than retailers. Majority of the respondents reported selling as their main source of income, hence most of them were full time sellers of fruits and vegetables.

Most of the respondents especially the retailers had daily business operation. The volume and value of products marketed by

wholesalers were generally higher than those of the retailers. Both groups of sellers generally resorted to cash and installment basis of receiving payment for their fruits and vegetables.

The wholesalers who had more capital than the retailers were mostly dependent on personal savings for their capital while most retailers obtained theirs from relatives.

The usual source of price information were other sellers while the most frequently mentioned source of products sold was Divisoria.

In marketing \$1,000.00 worth of fruits and vegetables, the wholesalers incurred more expenses with an average amount of \$796.00 against \$754.16 for retailers. On the other hand, the retailers average gross and net returns from marketing \$1,000.00 worth of products were greater than those obtained by wholesalers. The result of the analysis showed that there were significant differences in both the costs incurred and net returns obtained by wholesalers and retailers from marketing \$71,000.00 worth of fruits and vegetables.

The difference in gross returns, however, was found to be insignificant.

Several marketing practices were employed by sellers. The most common, however, were transporting, packaging, and removal of damaged or rotten parts. The most common problem reported was product spoilage.

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by

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INTRODUCTION

The overwhelming growth of population brought a limitless increase in man's need for commodities. Their uneven distribution, however, gave rise to the problem of commodity procurement. Commodity procurement was made possible with the formation of different marketing institutions.

Wholesaling and retailing are marketing institutions whose relevance cannot be disregarded. They serve as connecting link between producer and consumer. Their fast and continuing growth is brought about by the development of specialized production which account for almost infinite number of commodities that enter into the channel of trade and commerce, which necessarily demand the use of effective marketing system. Furthermore, the consumer desires to obtain goods