

# The Impact of Prince Hypermart on the Sales of Small Businesses in Dapa, Surigao Del Norte

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## ABSTRACT

This research examines the effects of Prince Hypermart's entry into Dapa, Surigao del Norte on local small businesses, which play a critical role in the community's economy. A mixed-methods approach was used, with data collected from 30 small business owners and 25 consumers through structured questionnaires, interviews, and sales record reviews conducted between January and March 2026. Findings reveal that 88% of small businesses experienced sales declines averaging 28–45% since the hypermart opened, with sari-sari stores and mini groceries hit hardest (38–42% drop). Price competition (10–30% gaps on comparable items), limited inventory capacity, and marketing constraints were identified as key challenges.

However, 63% of small businesses have adapted by shifting to local/niche products, while 72% now offer personalized services like home delivery. Consumer data shows 58% shop at both the hypermart and small businesses choosing the hypermart for lower prices and convenience, and small retailers for local goods and trust. 70% of consumers recognize the impact on small businesses, with 60% willing to pay more to support them. While overall retail activity in Dapa increased by 19% and the hypermart created 45 local jobs, only 12% of small businesses have received support to compete.

The study concludes that while large retail chains bring certain economic benefits, targeted interventions are needed to support small businesses and ensure balanced local growth. Recommendations include fostering collaboration among small enterprises, developing programs to highlight local products, and providing training to enhance competitiveness.

Keywords: Price Competition, Retail Competition, Consumer Behavior, Market Competition

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## CHAPTER 1

### THE PROBLEM AND ITS BACKGROUND

Small businesses play a vital role in the economic growth of Dapa, Surigao del Norte. They provide essential goods and services, create job opportunities, and contribute to the development of the local community. In the Philippines, micro, small, and medium enterprises (MSMEs) account for the vast majority of registered businesses and generate significant local employment, highlighting their importance to grassroots economic development (Philippine Statistics Authority, 2023). These enterprises usually rely on close customer relationships and personalized service to sustain their operations, particularly in small municipalities. The Department of Trade and Industry (2022) emphasizes that MSMEs strengthen local value chains and community-based commerce, especially in rural areas. However, the entry of large retail chains such as Prince Hypermart has created intense competition that affects the performance and stability of small businesses.

Prince Hypermart offers a wide variety of products at affordable prices, attracting many consumers through convenience and promotional deals. While this development benefits customers by providing more choices and competitive pricing, it poses significant challenges to small business owners who struggle to compete in terms of economies of scale, inventory capacity, and marketing resources. Studies on retail modernization and market competition note that the expansion of large-scale retailers can reduce the market share of small neighborhood stores, leading to declining sales and increased financial pressure (Asian Development Bank, 2021; Organisation for Economic Co-operation and Development, 2021). As a result, many small entrepreneurs experience reduced customer loyalty, shrinking revenues, and financial instability when competing directly with large retail establishments. The presence of Prince Hypermart in Dapa has transformed the local business environment. Many small store owners have observed a noticeable decrease in customer traffic and revenue since the establishment of the hypermarket. Factors such as discount offers, loyalty programs (like Green Card deals), and the one-stop-shop experience have encouraged consumers to shift their spending to Prince Hypermart. In response, small businesses are forced to adapt by adjusting prices, improving customer service, or diversifying their products, yet many still struggle to sustain their operations.

In this context, this study aims to determine the impact of Prince Hypermart on the sales of small businesses in Dapa, Surigao del Norte. Specifically, it seeks to identify how the establishment of Prince Hypermart has influenced the sales performance of small enterprises, the challenges faced by local entrepreneurs, and the strategies they employ to remain competitive. Moreover, the findings of this study will provide valuable insights for small business owners, community leaders, and policymakers in developing measures to support the resilience and growth of small businesses amidst growing retail competition.

### Theoretical and Conceptual Framework of the Study

This research is anchored on Johan Fischer 2024, the Theory of Hypermarketization, a new theory in retailing that outlines the process by which the proliferation of hypermarkets in developing economies

transforms the behavior of consumers and the retail environment. Hypermarketization highlights that giant store pull consumers through low prices, large assortments, and convenience, causing consumers to switch away from traditional small shops toward new retail types. In Dapa's situation, the opening of Prince Hypermart demonstrates this tendency since it offers the locals a one-stop shopping concept that promotes bulk purchasing and more dependence on one store than the frequent use of small stores. This theory helps explain why customers might alter their buying behavior, eventually leading to the reduction in sales for small enterprises.

Another perspective that supports this study is the Resilience Theory as applied to small retailers. Recent research has highlighted resilience as an important framework for examining how small businesses cope with disruptions and external pressures, such as the entry of larger competitors. Resilience theory argues that small business survival is not necessarily based on resources but also on adaptability, innovation, and the strength of customer relationships. For example, extending credit to loyal customers, product diversification, or tailoring service can assist local businesses in weathering the demands of contemporary retail competition. In this research, resilience theory not only explains the difficulties encountered by small enterprises in Dapa but also how they cope with survival in the presence of Prince Hypermart.

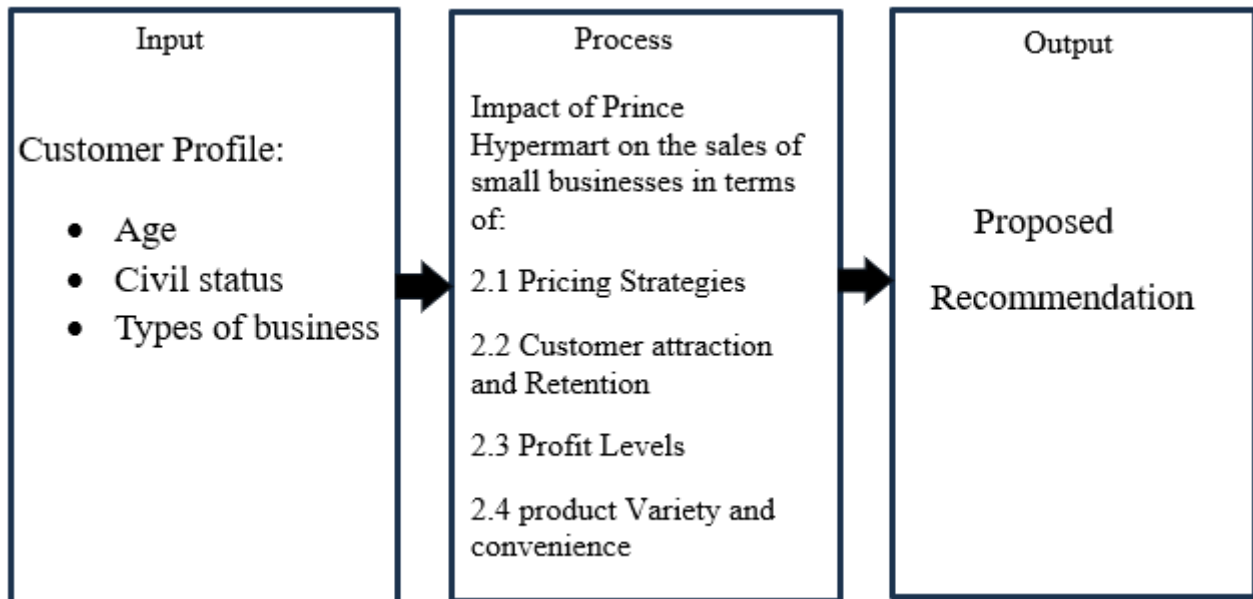
Together, the two theories form a balanced basis for the study. Theory of Hypermarketization describes how the presence of Prince Hypermart displaces the local retail market and affects the purchasing habits of people, while Resilience Theory describes how small businesses react to the changes and strive to endure in spite of increased competition.

Therefore, the theoretical framework of this research is based on the belief that the existence of Prince Hypermart in Dapa directly influences the sales performance of small-scale businesses. The independent variable is the existence of Prince Hypermart, symbolized by its strengths like low prices, assortment of products, convenience, and sales promotions. The dependent variable is the sales performance of small-scale businesses, indicated in terms of level of revenue, flow of customers, and business sustainability over the long term.

This interaction is driven by customer behavior, specifically in the way residents modify shopping behavior by switching from informal *tingi* purchases to bulk purchases in hypermarkets. Meanwhile, the effect is tempered by the response strategies that small enterprises employ due to the competition. Small stores can try to switch by using credit, emphasizing niche items, or intensifying customer loyalty by means of personalized service. Other variables, including the nature of the small business, its location relative to Prince Hypermart, and the resourcefulness or experience of the owner, could also influence the extent to which the hypermarket affects their performance.

In general, the model presumes that the stronger the competitive power of Prince Hypermart, the greater the probability of decreasing sales for Dapa's small businesses. Nevertheless, the adaptability and resilience of these small businesses are significant factors in determining how they perceive and cope with the impacts of this competition.

**Figure 1: Schematic Diagram of the Study (IPO Model)**



### Statement of the Problem

This study aimed to determine the impact of Prince Hypermart on the sales performance and competitiveness of small businesses in Dapa, Surigao del Norte, and to examine how consumer behavior contributes to these effects.

This study sought answer the following problems:

1. What is the profile of the respondents in terms of?
  - 1.1 Age
  - 1.2 Civil Status
  - 1.3 Business Types
2. How has the presence of Prince Hypermart influenced the sales performance and competitiveness of small businesses in Dapa, Surigao del Norte in terms of?
  - 2.1 Pricing strategies;
  - 2.2 Customer attraction and retention;
  - 2.3 Profit levels; and
  - 2.4 Product variety and convenience?
3. Which of all the variables stated in problem number two have influenced much with the sales performance and competitiveness of small business in Dapa?
4. How do the sales performance level of small businesses differ before and after the establishment of Prince Hypermart?
5. Based on the findings of the study, what recommendations can be proposed to help small business owners improve their competitiveness and sustain their operations?

### Hypothesis

Tested at 0.05 level of significance, it was hypothesized that:

H01: There is no significant difference on the impact of Prince Hypermart on the sales of small businesses in Dapa, Surigao del Norte.

### Significance of the Study

This study is important as it examines how the presence of Prince Hypermart affects the performance of small businesses in Dapa, Surigao del Norte. Its findings will benefit various stakeholders in different ways.

**Government.** The study can guide policy-making to balance economic growth with the protection of small enterprises. It may lead to programs like training, financial support, or incentives that help small entrepreneurs stay competitive.

**Business Entities.** Especially small and micro enterprises, the study will identify the challenges they face against larger competitors and suggest strategies such as diversifying products, improving services, or building customer loyalty. Prince Hypermart itself may also gain insights to operate more responsibly in the community.

**Consumers.** The study will raise awareness of the impact of their shopping choices. While hypermarkets may offer lower prices and variety, supporting small stores helps sustain local livelihoods, convenience, and personalized services.

**Academic Institutions.** This research adds to works on retail competition and small business resilience. It can be used as an effective guide for those who also want to venture into similar areas, especially in rural or emerging communities.

**Community of Dapa.** The results emphasize the impact of retail changes on not only businesses but also employment, the circulation of income, and the sustainability of the community as a whole.

**Future Researchers.** The research improves their research capacity and enables them to provide practical knowledge that can help their hometown.

This research not only investigates the issues of small businesses but also offers knowledge that can lead government, business, consumers, scholars, and prospective researchers towards more sustainable development.

### Scope and Limitation of the Study

This study focused on examining the impact of Prince Hypermart on the sales of small businesses in Dapa, Surigao del Norte. It sought to determine how the presence of a large retail store affects the income, customer flow, and overall performance of local enterprises. The scope includes both small business owners or managers, such as sari-sari store operators, mini-grocery owners, and other small-scale retailers, as well as local consumers who patronize these establishments. Specifically, the study measures changes in sales performance, customer purchasing behavior, and the strategies adopted by business owners before and after the establishment of Prince Hypermart.

However, the study is limited only to businesses and consumers within the municipality of Dapa and does not extend to other towns or cities in Surigao del Norte. It also concentrates mainly on economic and operational aspects such as sales, financial management, planning, and perceived competition. Therefore, it excludes other areas such as employee satisfaction, supplier relations, taxation issues, and environmental effects.

Moreover, the study will be conducted during the first semester of the school year 2024–2025; hence, its findings will reflect only the conditions within that timeframe. Meanwhile, the accuracy of the results depends heavily on the willingness, honesty, and availability of respondents to provide reliable information. Since data will rely mostly on reported experiences and estimates rather than audited financial

records, the results may not capture exact figures but will still represent the realities faced by small business owners in Dapa.

Nevertheless, this study remains both timely and relevant because Prince Hypermart was only recently established in Dapa. Therefore, it allows the researchers to assess its early effects on local businesses while the changes are still fresh and observable. By capturing the immediate responses of both business owners and consumers, the study can provide valuable insights into how the retail landscape is being reshaped and what strategies small enterprises may adopt to sustain themselves amid the growing competition.

### **Definition of Terms**

This part explains the important words used in the study. Each term is defined based on how it is used in this research.

**Attracting Consumers with Lower Price** – Refers to the ability of Prince Hypermart to draw customers away from small businesses by offering cheaper products

**Business Strategy**- The steps or plans those small businesses follow to compete, attract customers, and improve their sales.

**Customer Flow** The number of people who enter and buy from small businesses in a certain time period.

**Hypermarket** – A large retail establishment that combines a supermarket and a department store, offering a wide range of products under one roof.

**Impact**- The effect or result that Prince Hypermart has on the sales and daily operations of small businesses in Dapa.

**Market Competition** – The rivalry between Prince Hypermart and small businesses in attracting customers and increasing sales.

**Prince Hypermart**- A big retail store in Dapa, Surigao del Norte that sells many kinds of products at affordable prices.

**Reduced Profits** – The decline in earnings experienced by small businesses due to customer preference for Prince Hypermart.

**Sales Performance**- Shows how well a business is doing in terms of income, customer numbers, and profit.

**Small Business**- Local businesses in Dapa, such as sari-sari stores, small grocery stores, and retail shops owned by residents.

**Sustainability**- The ability of small businesses to continue running and earning money over a long period, even with strong competition like Prince Hypermart.

## **CHAPTER II**

### **REVIEW OF RELATED LITERATURE**

The expansion of large scale retailers such as Prince Hypermart has significantly altered the competitive landscape of local businesses in the Philippines. While hypermarkets provide consumers with lower prices and wider assortments, small businesses particularly sari-sari stores continue to play a vital role in community life. To better understand this dynamic, this review synthesizes relevant studies (2013–2025) that provide empirical evidence, theoretical grounding, and policy context for the present research.

From a global perspective, sales performance is widely regarded as a primary indicator of business sustainability and competitiveness. The World Bank (2022) reports that small and medium enterprises (SMEs) account for approximately 90% of businesses worldwide and contribute significantly to

employment, making consistent sales growth essential for economic stability. Likewise, the Organisation for Economic Co-operation and Development (2023) emphasizes that retail trade is a key driver of GDP and domestic consumption across economies. In this context, declining sales often signal structural shifts in competition, consumer demand, or purchasing power. Thus, examining sales is crucial in assessing the broader economic implications of hypermarket expansion.

In the Philippine setting, retail sales are central to domestic economic growth. The Philippine Statistics Authority (2023) notes that MSMEs comprise 99.5% of registered establishments, underscoring their importance in employment generation and income distribution. The Philippine Institute for Development Studies (2024) highlights that sari-sari stores dominate grassroots retail distribution, particularly in rural areas, accounting for a substantial portion of food and FMCG sales while providing *tingi* purchases and informal credit (*utang*). These practices reinforce both economic participation and social cohesion.

Obana (2023) observed that inflationary pressures shifted consumer preferences back toward sari-sari stores, increasing their share of FMCG purchases to 41% in 2022 from 35% in 2020, while hypermarket share declined. This suggests that macroeconomic conditions interact with retail structure to influence sales distribution. Supporting this, Packworks (2024) reported that rural sari-sari stores recorded higher aggregate sales than urban counterparts, emphasizing their continued importance in provincial economies such as Dapa, Surigao del Norte. However, Thornton (2025) documented that although transaction frequency increased, average monthly spending per customer declined by 11.8% from 2023 to 2024 due to *tingi* buying behavior. This pattern sustains demand but compresses revenue, threatening long term sustainability. Earlier, Lucas (2013), citing Nielsen data, had already noted a gradual consumer shift toward supermarkets driven by convenience and proximity.

Competition has intensified further with the rise of hard-discount retailers such as DALI Everyday Grocery and O!Save (Paquia, 2025). The Philippine Retailers Association (2024) reports continued expansion of modern grocery formats into rural municipalities, reflecting structural retail modernization. Similarly, the United States Department of Agriculture Foreign Agricultural Service (2024) documented steady growth in supermarket and hypermarket sales nationwide. These developments provide context for analyzing how Prince Hypermart's presence in Dapa reshapes local retail dynamics.

At the local level, Dapa, Surigao del Norte, represents a provincial economy where small retailers rely heavily on community trust, personalized service, and repeat customers (*suki* system). According to the Department of Trade and Industry Caraga MSME Development Plan (2021–2025), digitalization and market access remain critical for strengthening small enterprises in the region. Despite modernization pressures, sari-sari stores maintain social embeddedness. Research from the Philippine Institute for Development Studies (2024) and FAST (2025) emphasizes their role in livelihood support, women's economic participation, and community cohesion. Nevertheless, rising input costs and FMCG price increases—some categories exceeding 11% (Montiel, 2025) place additional pressure on already thin profit margins.

The presence of Prince Hypermart in Dapa reflects the broader concept of large retailers operating as dominant market players through economies of scale, aggressive pricing, and broad assortments. Such expansion can reduce the market share of nearby micro-enterprises, particularly in price-sensitive communities (Paquia, 2025). While hypermarkets improve consumer access and affordability, their scale advantages challenge the pricing flexibility and inventory capacity of small stores.

The present study considers several key variables supported by existing literature. First, sales performance serves as the primary dependent variable because it directly reflects business viability (World Bank, 2022).

Second, consumer purchasing behavior, including price sensitivity and *tingi* buying, significantly influences revenue outcomes (Thornton, 2025; Obana, 2023). Third, pricing strategy and product availability are crucial independent variables, as large retailers leverage bulk procurement advantages (USDA-FAS, 2024). Fourth, **service** quality and customer loyalty remain competitive strengths for small retailers, aligning with service quality frameworks that link responsiveness and empathy to repeat patronage (Parasuraman et al.; Ladhari, 2020). Finally, **government support and digital adoption** act as moderating variables, as DTI programs and digital platforms such as Sari IQ enhance competitiveness and resilience (DTI, 2025; Packworks, 2024).

In synthesis, the literature presents a dual reality. Hypermarkets such as Prince Hypermart symbolize modernization, efficiency, and consumer welfare benefits, while sari-sari stores remain central to rural economic and social systems. Globally and nationally, sales serve as the clearest measure of sustainability. In Dapa, Surigao del Norte, the interaction of hypermarket presence, consumer behavior, pricing dynamics, service quality, and institutional support determines the trajectory of small-business stability. This body of literature underscores the importance of examining how Prince Hypermart influences the sales performance and resilience of small retailers within the local context.

### Synthesis of the Study

The reviewed literature collectively shows that small retailers such as sari-sari stores continue to play a significant economic and social role in the Philippines despite the rapid expansion of modern retail formats. Globally, sales performance is recognized as a key indicator of business sustainability, particularly for micro and small enterprises that drive employment and grassroots economic growth (World Bank, 2022; Organisation for Economic Co-operation and Development, 2023). In the Philippine context, where MSMEs comprise 99.5% of registered establishments (Philippine Statistics Authority, 2023), retail sales are directly linked to livelihood stability and household consumption. The Philippine Institute for Development Studies (2024) further emphasized that sari-sari stores remain central to rural economies because of their accessibility, *tingi* system, and informal credit arrangements. Supporting this, Obana (2023) found that inflationary pressures temporarily pushed consumers back to sari-sari stores, increasing their share of FMCG purchases to 41% in 2022. Likewise, Packworks (2024) reported that rural sari-sari stores recorded higher aggregate sales than their urban counterparts, underscoring their continued relevance in provincial communities such as Dapa, Surigao del Norte.

However, Thornton (2025) observed that although transaction frequency increased, average spending per visit declined by 11.8%, demonstrating how *tingi* purchasing sustains demand but compresses revenue.

Meanwhile, the expansion of hypermarkets and discount chains has intensified competition. The presence of Prince Hypermart in provincial municipalities reflects the broader modernization trend in Philippine retail (Philippine Retailers Association, 2024; USDA-FAS, 2024). Hypermarkets leverage economies of scale, wider product assortments, and aggressive pricing strategies, which may reduce the market share and profitability of small retailers. Paquia (2025) highlighted how discount chains such as DALI and O!Save disrupted traditional sari-sari operations through private-label products and standardized systems. Additionally, Montiel (2025) noted that rising wholesale and input costs for FMCGs particularly in categories such as snacks and baby care products further squeeze profit margins of small retailers, compounding competitive pressures.

From a broader perspective, national and global reports confirm the steady structural growth of modern grocery channels (USDA-FAS, 2024; IMARC, 2025), reinforcing the notion that hypermarket expansion

continues even amid inflationary and economic constraints. Nevertheless, the literature also identifies pathways for resilience. FAST (2025) emphasized that sari-sari stores retain strength through suki relationships, trust-based credit (utang), and community proximity, while Packworks (2024) highlighted the growing adoption of digital tools that enhance inventory management and operational efficiency. Furthermore, government initiatives such as the Negosyo Center Program and MSME Development Plan (DTI, 2021; 2022; 2025) aim to strengthen small retailers through training, financing, and digitalization support.

Therefore, the literature presents a dual dynamic of vulnerability and resilience. While hypermarkets like Prince Hypermart symbolize modernization, affordability, and expanded consumer choice, they also pose structural challenges to small retailers in terms of pricing, inventory, and market share. At the same time, sari-sari stores remain deeply embedded in rural economies, supported by community trust, adaptive strategies, and institutional assistance. In Dapa, Surigao del Norte, where Prince Hypermart has established operations, this interaction becomes particularly significant. Thus, the present study seeks to provide localized evidence on how the presence of Prince Hypermart influences the sales performance, customer flow, and survival strategies of small businesses, contributing to the broader discourse on balancing modern retail growth with the sustainability of small-scale enterprises.

### **CHAPTER III**

#### **METHODOLOGY**

This chapter presents the research design, participants, research instrument, data gathering procedures, data analysis, and ethical consideration of the study.

##### **Research Design**

This research study used quantitative approach the descriptive survey research design which involves gathering conditions to mainly provide descriptions and interpretations to the variables. The descriptive survey method focuses on the present and existing conditions. It deals with the opinions, perceptions, and attitudes of a chosen population. This is the most appropriate method for investigation for it describes the emphasis what actually exist such as current condition, practices, situations, and present phenomena.

Several researchers confirm that the descriptive survey research method is particularly appropriate in studies intending to record current conditions, perceptions, and actions without intervening with variables. As noted by Qualtrics (2023), descriptive research design enables researchers to "identify characteristics in their target population" and observe existing phenomena, like customers' habits, attitudes, and tastes.

The descriptive survey is beneficial in this research because one must want to know how small business owners and local shoppers view the existence of Prince Hypermart today, how their sales, customer traffic, and purchasing behavior have been altered, and what actions small businesses are taking. It offers a practical, cost-friendly, and ethical means of collecting information from a fairly sizable sample that can be generalized to the population of small businesses in Dapa.

##### **Respondents**

The subjects of this research was composed of two groups: 30 local retailers or managers and 25 local consumers in Dapa, Surigao del Norte. The managers or retailers were chosen because they are directly engaged in small-scale retailing, so they have personal experience on how the presence of Prince Hypermart impacts their businesses. Conversely, local consumers were made respondents since they are involved in actively buying products from both hypermarkets and small retailers, thus their sentiments are essential to comprehend evolving consumer behavior.

Purposive sampling was employed in the study, which implies that respondents were selected purposefully according to definite criteria applicable to the goals of the research. Business operators and managers were chosen if they have operations within the area of Dapa and were involved in small-scale retail transactions like sari-sari shops, mini grocery stores, or local market stalls. Consumers are picked if they are frequent buyers from the local retailers. Through targeting such groups, the research was able to ensure that information obtained is from individuals most impacted by or directly engaged with competition between hypermarkets and traditional retailers.

Every respondent was personally contacted by the researchers. The aim and objectives of the research was clearly explained prior to the handing out of the survey. Voluntary participation was ensured, informed consent was taken, and confidentiality was strictly ensured to ensure ethical requirements.

**Table 1. Distribution of Respondents**

Respondents	Male	Female	Total	Percentage
Business Owners/ Managers	10	20	30	50%
Local Consumer	10	15	25	50%

**Research Instrument**

This study used a researcher-made questionnaire to determine the quantitative data. The instruments was submitted to experts for validation to ensure its validity. There were two parts of the research questionnaire. Part I includes the demographic profile of the participants like age, sex, civil status and Types of Business. While Part II asks the **Pricing Strategies, Customer Attraction and Retention, Profit Levels, Product Variety and Convenience**. Below shows the evaluation scale of the survey rating. Nature and consent was given to the respondents upon signifying their interest and agreement. Responses were evaluated based on the parameter below.

*Legend:*

Scale	Parameter	Verbal Interpretation	Qualitative Description
4	3.26-4.00	Strongly Agree	Highly Perceived
3	2.51-3.25	Agree	Perceived
2	1.76-2.50	Disagree	Slightly Perceived
1	1.0-1.75	Strongly Disagree	Not Perceived

**Data Gathering Procedures**

The data gathering process commenced with the preparation and submission of a formal request letter addressed to the research adviser, Ma’am Maria Lelanie A. Goyonan, PhD, and duly endorsed by the Dean of the BSOA Department, Ma’am Carol S. Villamor, MBA. This step is essential to ensure that the

research adheres to institutional protocols and obtains ethical clearance before being conducted outside the Siargao Island Institute of Technology campus.

Once approval was secured, the researchers formally transmitted the letter to the proper authorities in Dapa, Surigao del Norte, to request permission to approach local business owners and consumers. Securing official authorization upholds the credibility and ethical integrity of the study, ensuring cooperation and transparency with community stakeholders.

Before the actual distribution of survey questionnaires, the purpose, objectives, and confidentiality terms of the study was clearly explained to the respondents. Obtaining informed consent ensures voluntary participation and compliance with ethical standards, particularly in protecting the privacy and rights of respondents.

The questionnaires was personally distributed and collected on the spot to ensure a high retrieval rate and minimize missing data. Assistance was provided to respondents who may need clarification, promoting accurate and reliable responses. This face-to-face approach also allowed the researchers to build rapport and ensure that all items are properly understood.

After data collection, all retrieved questionnaires were reviewed for completeness and accuracy. The responses were then be tallied, sorted, and tabulated in preparation for statistical treatment and analysis. This systematic process ensures that the data gathered were valid, consistent, and aligned with the objectives of the study, particularly in determining the correlation between the rise of Prince Hypermart and the sales performance of small businesses in Dapa, Surigao del Norte.

### **Data Analysis**

All the data gathered in this study were analyzed using appropriate statistical tools to ensure accurate interpretation of results. The following methods were applied:

**Frequency Count and Percentage Distribution** – This tool was used to determine the demographic profile of the respondents and their corresponding percentage distribution.

**Mean and Standard Deviation** – This was applied to describe and summarize the responses on the variables of the study using the Likert Scale description.

### **Ethical Consideration of The Study**

In conducting this study on The Impact of Prince Hypermart on the Sales of Small Businesses in Dapa Surigao Del Norte, the researchers will ensure adherence to ethical principles throughout the research process. Participation of respondents will be strictly voluntary, and informed consent will be secured prior to data collection. Respondents will be fully informed of the purpose of the study, the procedures involved, and their right to withdraw at any stage without penalty.

Confidentiality and anonymity of participants will be maintained at all times. Personal information and business-related data will not be disclosed and will be used solely for academic purposes. Responses will be reported in aggregate form to avoid identification of individual participants or their enterprises.

To guarantee the integrity and reliability of the study, the research instruments will be reviewed and validated before administration. All collected data will be handled with transparency and objectivity, avoiding any form of misrepresentation or bias.

Finally, the study will comply with ethical standards set forth by the institution and ensure respect for the rights, privacy, and dignity of all respondents.

**CHAPTER IV  
RESULTS AND DISCUSSION**

This chapter presents the results of the study and discusses the findings based on the data collected from the respondents. The gathered information is systematically analyzed and interpreted to provide a clearer understanding of how the presence of Prince Hypermart influences the sales performance, customer flow, and overall business stability of small retailers in Dapa, Surigao del Norte. The findings are organized according to the variables identified in the study to ensure a comprehensive and logical presentation of the results.

**1. Profile of the respondents**

Table 1.1. Frequencies of Age			
Age	Counts	% of Total	Cumulative %
20-30 years old	8	14.5%	14.5%
31-40 years old	17	30.9%	45.5%
41-50 years old	16	29.1%	74.5%
51-60 years old	14	25.5%	100.0%

Based on Table 1.1, the age distribution of the respondents shows a fairly balanced representation across different age groups. The largest proportion of respondents falls within the 31–40 years old group, accounting for 30.9% of the total. This was followed closely by the 41–50 years old group at 29.1%, indicating that a significant number of respondents are middle-aged, likely with established small businesses and practical experience in sales and management. The 51–60 years old group represents 25.5%, while the youngest group, 20–30 years old, comprises the smallest share at 14.5%.

The implications of this distribution suggest that the study captures perspectives from a range of experience levels, with a strong concentration of respondents in the middle-aged groups who may have more stable businesses and consistent customer bases. The smaller proportion of younger respondents may indicate fewer new or emerging entrepreneurs in Dapa, which could affect how innovations in pricing strategies, customer attraction, and product variety are implemented. This age profile is important for interpreting how Prince Hypermart’s presence may influence business competitiveness, as middle-aged business owners might respond differently.

This observation is consistent with the findings of Department of Trade and Industry (2023), which reported that most micro and small enterprise owners in the Philippines belong to the 30–50 age group, as individuals in this stage typically have accumulated capital, skills, and business experience. Furthermore, Asian Development Bank (2021) noted that younger entrepreneurs often face constraints in capital access and market entry, which may explain their lower representation in small retail sectorsly to large retail competition compared to younger entrepreneurs.

<b>Table 1.2. Frequencies of Civil Status</b>			
<b>Civil Status</b>	<b>Counts</b>	<b>% of Total</b>	<b>Cumulative %</b>
Single	9	16.4%	16.4%
Married	46	83.6%	100.0%

Table 1.2 shows the distribution of respondents based on civil status. The majority of respondents, 83.6%, were married, while only 16.4% were single. This indicates that most small business owners in Dapa were married, which could imply a higher level of family responsibility and stability in their business operations.

The high proportion of married respondents suggests that decisions regarding business operations, including pricing strategies, customer retention efforts, and investment in product variety, may be influenced by family considerations. Married owners may prioritize consistent income and long-term sustainability, which could affect how they respond to competition from larger establishments like Prince Hypermart. Conversely, the smaller group of single respondents might have more flexibility to experiment with innovative strategies or take higher business risks.

This finding aligns with research by Philippine Statistics Authority (2022), which highlights that family-oriented enterprises dominate the micro-retail sector, where business decisions are closely tied to household needs and financial security. Additionally, studies in entrepreneurship (e.g., World Bank, 2020) suggest that married entrepreneurs tend to adopt more risk-averse and stability-focused strategies compared to single individuals.

<b>Table 1.3. Frequencies of Types of Business</b>			
<b>Types of Business</b>	<b>Counts</b>	<b>% of Total</b>	<b>Cumulative %</b>
Sari – sari Store	44	80.0%	80.0%
Mini Grocery	10	18.2%	98.2%
Food and Beverage	1	1.8%	100.0%

Table 1.3 presents the types of businesses owned by the respondents in Dapa. The data show that the vast majority, 80%, operate sari-sari stores, making it the most common type of small business in the area. Mini groceries represent 18.2% of respondents, while food and beverage businesses account for only 1.8%.

This distribution suggests that small-scale retail, particularly sari-sari stores, dominates the local market. Since sari-sari stores typically operate with limited inventory and rely heavily on daily customer traffic, they may be more sensitive to competition from larger retailers like Prince Hypermart. Mini groceries, having slightly larger inventories and broader product ranges, may experience moderate competitive effects, while the minimal presence of food and beverage businesses indicates that this sector is less impacted in terms of the study’s focus. Overall, the prevalence of small retail outlets highlights the

importance of examining how Prince Hypermart influences pricing strategies, customer attraction, profit levels, and product variety for these local entrepreneurs.

This finding is supported by Packworks (2024), which reported that sari-sari stores account for the majority of retail outlets in the Philippines and serve as primary distribution points for fast-moving consumer goods. Similarly, NielsenIQ (2023) emphasized that traditional trade channels, including sari-sari stores, remain dominant despite the expansion of modern retail formats.

**1. Influence of Prince Hypermart towards the sales performance and competitiveness of small businesses in Dapa, Surigao del Norte**

<b>Table 2. Influence of Prince Hypermart towards the sales performance and competitiveness of small businesses in Dapa, Surigao del Norte.</b>				
<b>Variable</b>	<b>N</b>	<b>Mean</b>	<b>Median</b>	<b>SD</b>
Pricing Strategies	55	3.13	3.20	0.399
Customers' Attraction and Retention	55	3.17	3.20	0.307
Profit Levels	55	3.13	3.20	0.542
Product Variety and Convenience	55	3.21	3.40	0.400

Table 2 shows the influence of Prince Hypermart on the sales performance and competitiveness of small businesses in Dapa, Surigao del Norte across four key variables. Among these, product variety and convenience obtained the highest mean score (M = 3.21), indicating that respondents perceive the strongest competitive pressure in terms of assortment and accessibility. This finding is supported by national retail reports from the United States Department of Agriculture–Foreign Agricultural Service (2024), which noted that supermarkets and hypermarkets in the Philippines expand primarily through wider product assortments and improved shopping convenience. Similarly, the Philippine Retailers Association (2024) emphasized that modern grocery formats attract consumers by offering one-stop shopping experiences, which often challenge small retailers with limited shelf space and inventory capacity.

The variable customers’ attraction and retention (M = 3.17) also reflects a notable perceived impact. This aligns with findings by Thornton (2025), who observed that while sari-sari stores maintain frequent customer visits, competition from larger retailers influences consumer loyalty and purchasing patterns. Moreover, literature on consumer behavior suggests that convenience, store environment, and perceived value significantly affect customer retention, often favoring larger retail establishments with standardized services and promotional strategies.

Meanwhile, pricing strategies (M = 3.13) demonstrate a moderate level of influence. Hypermarkets typically benefit from economies of scale, enabling competitive pricing that small retailers may struggle to match. The Asian Development Bank (2021) explained that bulk procurement and centralized distribution systems give large retailers structural pricing advantages over micro-enterprises. However, small businesses often rely on flexible pricing, suki relationships, and tingi selling to maintain competitiveness (Obana, 2023).

Lastly, profit levels ( $M = 3.13$ ) show moderate influence but with the highest variability ( $SD = 0.542$ ), indicating differing experiences among respondents. This finding is consistent with Montiel (2025), who reported that rising wholesale costs and FMCG price increases compress profit margins for sari-sari stores. While some retailers may offset losses through frequent transactions, reduced basket sizes and price competition can negatively affect overall profitability (Packworks, 2024).

Overall, the results are supported by existing literature, which consistently shows that modern retail expansion impacts small businesses primarily through product assortment, convenience, and competitive pricing pressures. While small retailers in Dapa may retain advantages in personalized service and community trust, the presence of Prince Hypermart intensifies the need for adaptation strategies in inventory management, customer retention, and pricing decisions. These findings reinforce the broader view that retail modernization reshapes local market structures while creating both challenges and opportunities for small enterprises.

## **II. Variable for which the Prince Hypermart has the most significant impact.**

The variable with the highest mean in Table 2 is product variety and convenience, with a mean of 3.21 and a median of 3.40. This indicates that among all the aspects measured, respondents perceive that Prince Hypermart has the most significant influence on this area of small business operations. Small businesses, especially sari-sari stores and mini groceries, typically carry limited inventory due to space and capital constraints. The presence of Prince Hypermart, which offers a wide range of products under one roof, provides customers with more options and a convenient shopping experience. As a result, local small business owners may feel pressure to adapt by expanding the variety of products they offer or improving accessibility and convenience to compete effectively.

The implication of this finding is that product variety and convenience are critical factors for small businesses in maintaining competitiveness. Since Prince Hypermart offers a one-stop shopping experience, customers may prefer it over smaller stores if they cannot find the products they need locally. This encourages small business owners to strategize by either sourcing additional products, improving store layout for convenience, or offering personalized services that larger retailers cannot provide. Essentially, product variety and convenience become a central area where small businesses must innovate to sustain customer loyalty and profitability, highlighting its significant influence compared to pricing strategies, profit levels, or customer attraction and retention.

## **CHAPTER V**

### **SUMMARY, FINDINGS, CONCLUSION AND RECOMMENDATIONS**

This chapter provides an overview of the study, presents the key findings obtained from data analysis, and formulates conclusions based on the results. It also offers recommendations derived from the findings to address identified issues and enhance the current conditions. The discussion centers on how the presence of Prince Hypermart affects the sales performance and competitiveness of small businesses in Dapa, Surigao del Norte. Through this section, the study integrates important insights and proposes practical actions for small business owners, policymakers, and future researchers.

#### **Summary**

This research explored the impact of Prince Hypermart on the sales of small businesses in Dapa, Surigao del Norte. The growth of large retail establishments like hypermarkets has significantly transformed the competitive environment for local enterprises in the Philippines. Although hypermarkets attract customers through lower prices and a wider range of products, small businesses particularly sari-sari stores remain

essential in supporting community needs and local economies.

The respondents of the study consisted of two groups: 50 small business owners or managers and 50 local consumers from Dapa, Surigao del Norte. The business owners were selected because of their direct involvement in retail operations, allowing them to provide firsthand insights on how Prince Hypermart influences their sales. Meanwhile, consumers were included as respondents since they actively purchase goods from both hypermarkets and small stores, making their preferences important in understanding changing buying behaviors.

### Findings

1. The respondents' profile revealed that most participants were female small business owners. A majority were married, indicating that many of these enterprises serve as family-based sources of income. In terms of age, most belonged to the 31–40 age bracket, suggesting that they are within their prime working and entrepreneurial years.
2. Regarding business type, the majority operated sari-sari stores, while a smaller number managed mini-groceries. This confirms that small, community-based retail stores dominate the business landscape in Dapa.
3. The presence of Prince Hypermart has had a noticeable effect on the sales performance of small businesses in the area. Respondents generally agreed that the hypermarket significantly influences customer buying patterns and business operations.
4. Among the factors studied, product pricing had the highest impact on sales. This indicates that competitive prices and promotional offers strongly affect consumer purchasing decisions.
5. Product variety ranked second, as the hypermarket offers a wider selection of goods and the convenience of one-stop shopping, placing pressure on smaller stores with limited inventory.
6. Customer attraction and retention were also influenced, as promotions and convenience encourage shoppers to repeatedly visit the hypermarket.
7. Customer service received the lowest rating among the variables. This suggests that small businesses still hold an advantage in providing personalized service, maintaining suki relationships, and building community trust.
8. The effect on profit varied among small businesses. While many experienced declines in sales, the extent of the impact depended on their ability to adapt and manage their operations effectively.
9. Statistical analysis showed no significant difference in the level of impact across different business types. This means that both sari-sari stores and mini-groceries experience similar competitive challenges due to the presence of the hypermarket

### Conclusion

The study concludes that the establishment of Prince Hypermart in Dapa has significantly influenced the sales performance and competitiveness of local small businesses. The strongest impact is seen in product variety and convenience, where the hypermarket's scale and operational capacity provide advantages that are difficult for small enterprises to replicate.

Although pricing and promotional strategies also affect customer decisions, small retailers retain certain competitive strengths such as personalized service, community trust, and flexible selling practices. These strengths help cushion the full negative effects of large-scale competition.

The findings suggest that while retail modernization contributes to consumer benefits and broader economic activity, it simultaneously places structural pressure on micro-enterprises. The sustainability of small businesses in Dapa therefore depends largely on their ability to innovate, differentiate, and strengthen customer relationships rather than directly competing on price alone.

In essence, the hypermarket's presence does not eliminate small businesses, but it compels them to evolve within a more competitive market structure.

### **Recommendation**

For Small Business Owners:

1. Focus on differentiation rather than price competition by strengthening personalized customer service and suki relationships.
2. Expand or diversify product offerings to include locally sourced or specialty items not commonly available in large retail stores.
3. Improve store organization and accessibility to enhance shopping convenience within limited space.
4. Develop simple loyalty programs or community-based promotions to retain repeat customers.
5. Consider collaboration among nearby small retailers to purchase goods in bulk and reduce procurement costs.

**For Local Government and Policymakers:**

1. Provide training programs on inventory management, pricing strategies, and digital marketing to improve small business competitiveness.
2. Offer financial assistance, microcredit support, or incentives to help small retailers upgrade facilities or expand product lines.
3. Encourage programs that promote and prioritize locally produced goods in the municipality.

**For Future Researchers:**

1. Conduct longitudinal studies to measure long-term economic effects beyond the initial years of hypermarket operation.
2. Explore additional factors such as supplier relationships, employment effects, and digital adoption among small retailers.

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