Towards Improving the Sales of Traditional Chinese Medicine Drugstores

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ABSTRACT

This study revealed a list of personal profile, organizational profile and marketing tools for improving the sales of Traditional Chinese Medicine (TCM) drugstores in Binondo, Manila as perceived by their owner-managers, employees, and customers. Considered deterrents were female owner-managers, a hierarchical organization line structure, and displaying ancestral mottoes about righteousness as marketing tools. Perceived to have a positive effect on sales were the background of the owner-managers, employees with at least 15 years experience in sales, a monthly pay of 6,000 pesos and above, New Year’s dinner treat, effective usage experiences and repurchase reminders.

Keywords: Sales improvement, Traditional Chinese Medicine, owner-manager, Chinese drugstore, and customer relation promotion by way of in-store display of ancestral motto on righteousness

INTRODUCTION

Traditional Chinese Medicine (TCM), an effective and economical alternative medicine modality for a longer healthy life, has flourished in some East Asian countries for more than 2,000 years (Foon Yin Fung & Yeh Ching Linn, 2015) and is now recognized as such by the U.S. National Institutes of Health (Adam B., Yim-Yu, W. & Zoe, C., 2003) as well as in high demand in developed countries (Thillaivanan S. and Samraj K., 2014).

While the annual sales of herbal medicines in several Asian countries in Asia range from US$ 543.5 million to 1.5 billion (Xin, H., 2008), the sales of herbal medicine in the Philippines in 2000 was only about US$ 10 million. Although there has been a huge increase in the market for herbal medicine in the Philippines since 2004, to date, Chinese Medicine is still a big untapped resource that could provide Filipinos with proven effective medical care at a price even the poor can afford (WHO, 2013 & William, M. E., 2009).

Another problem concerning the sales of herbal medicine is the tarnished reputation of the pharmaceutical industry in China resulting in low stakeholder trust. This problem has cropped up in the Philippines as well. P5.9 million worth of fake medicines, representing 100% increase from 2014, available in the Philippines market have already been confiscated in 2015 (Jocelyn R. Uy, 2015). An increasing number of Chinese drugstores in Binondo retailing similar products or materials were affected as shown in the decreased volume of sales of the said products.

Statement of the Problem

When comparing TCM drugstores in different areas, the customers’ profile could be an important factor affecting sales. However, when comparing TCM drugstores within a particular area, say in Binondo, the differentiating factor would likely be the marketing tools or other management approaches used by the stores in that locale. This study looks at possible solutions that would result in the
improvement of sales by considering the viewpoints of three groups of respondents involved in the drugstore — the owner-managers, employees, and customers — on the factors that affect sales. The research questions were as follows:

A. Which features of these variables examined in this study should be prioritized to improve the sales of TCM drugstores?
   1. Personal profiles of respondent owner-managers, employees, and customers,
   2. Company organizational profile, and
   3. Marketing tools utilized

B. Do the items falling under the three above mentioned variables have the same effect if any on “Sales Improvement”?

Significance of the Study

Not much attention has been given to the impact of the marketing styles of TCM drugstores on the customers’ purchasing behavior where TCM products are concerned. The 4P’s concept of marketing, namely, product, price, place, and promotion, expounded in textbooks lacks a convincing explanation of the effect of organization features and other marketing tools on sales improvement. To date, no study has examined, in the case of TCM drugstores facing survival problems, the effect on sales improvement of the personal profile of those who run and patronize the store, the organizational profile of the company, and the marketing tools utilized by the establishment. By examining the perceptions of three groups of respondents, the TCM drugstores could discover not only ways to assure sales improvement but it could also unearth hidden marketing problems that curtail the sales of TCM products. As such, it would benefit not only owner-managers of the drugstores but the discipline as well regarding sales improvement. Moreover, the findings would benefit the customers, too, since this could result in their increased use of traditional alternative medicine which is not only affordable but which also poses less undesirable side effects than some processed pharmaceutical products currently in use.

Limitation of the Study

All firms need to “sell-better-than-before” to improve sales according to Josiah Go in 2001. However, in this study a perceived qualitative description had to be used instead of hard figures coming from financial accounts that were difficult to come by due to the confidentiality of peso-value-information. Perceptions on sales improvement became the standard for judging marketing effectiveness in this research.

The data examined were limited to sales improvements of TCM drugstores as perceived by three groups of respondents. The perceived sales improvements do not necessarily reflect actual sales. The use of perception regarding sales improvement by the owner-managers was resorted to because of their refusal to reveal accounting records on the amount of sales. Moreover, the absence of any working TCM association in the country and the absence of official records from the Philippine government make any specific TCM statistical data unobtainable.

THEORIES GUIDING THE STUDY

Where TCM drugstores are concerned, Philip Kotler’s 4Ps marketing mix and his principles of marketing, represent a reference framework for stores in deciding which marketing tools to adopt to achieve sales improvement. Due to the decline in efficiency of advertising, Philip Kotler (2009) points out
that promotions by way of advertisements may not increase retailers’ sales of products and their complements and may even induce customers to switch stores. In this study, therefore, some sales promotion tools considered were honoring bank credit-cards issued to customers to enable them to make purchases, free trials for TCM tea or free diagnostic services to make product-brand loyal customers change their product-brand of choice.

Still another theory underlying this study is Porter’s 5-Forces Model (potential new entrants, firms in other industries whose products are substitutes for TCM products, suppliers, buyers, and complements) which looks into the nature of competition and the different forces at work which affect sales. Co-opetition in lieu of competition among these forces is recommended since the latter is after “slicing up of the pie” while co-opetition which combines competition and cooperation generally leads to an expansion of the business “pie” (Brandenburger, A. & Nalebuff, B. J., 1997).

In this study, the forces at work include first of all the new entrants or new Chinese drugstores with bigger initial capitalization established in Binondo. Another are the firms or other industries whose products are substitutes for TCM products. These are firms belonging to that segment of the medicine industry dealing in western-type drugs which provide lower priced but quality-tested substitutes for TCM products. Still another force in this study are suppliers who provide the drugstores with dried materials or finished products, as well as decocting pots that are used to prepare TCM products. Then, there are the buyers or customers, who served as one of the sources of data regarding the three variables hypothesized as affecting the sales of TCM drugstores. However, in line with co-opetition, “complements” such as decocting pots used for preparing TCM decoctions which were reasonably-priced were likewise considered as a probable dimension in the attractive pricing of TCM.

Included, too, are negative mass media reports about TCM drugstores that have detracted from efforts to improve sales in TCM drugstores. In fact, those negative reports may have caused the decrease in TCM users in the country. With positive mass media reports, on the other hand, TCM, may be promoted to become necessities in people’s daily lives because of its efficacy and relatively low prices.

**REVIEW OF RELATED LITERATURE**

Chao-Tung H.’s study (2006) showed that the “first-in-importance thing” for Chinese-Herbal Medicine firms was enhancing market orientation, that is, the business philosophy of meeting either the stated or hidden needs and wants of the customers. However, the aforementioned business philosophy may or may not result from a personal or corporate philosophy. Whether market orientation as a philosophy emanated from either personal or corporate philosophy was determined by reviewing the personal profiles, organizational profiles, and marketing tools of TCM drugstores included in this study to test and determine their effects on sales.

Regarding personal profile, the research of Cheuck-Wing, T. in 2000 showed that people’s traditional beliefs in TCM affect their TCM utilization behavior. In fact, an earlier study (Chi-Wan, H., 1999) showed that the Chinese customers’ traditional health beliefs could account for their loyal drugstore customers.

As for organizational profile, a research by Roman, et al. (1996) revealed that since older Chinese management personnel were largely uneducated, Chinese managements preferred a highly centralized style-of-control over their organizations, trust-and-loyal employment relationship, the organization of single family ownership, a capital structure of equity capital or internally-generated funds, family-member management, and less standardized and formalized structures. Aside from suppliers’
contributions to product sales, Zi-Yuan, G.’s study in 1999 pointed out that the friends and relatives of Filipino-Chinese managers also served as important distribution channels of their products. Another finding by Kenneth, J. B. (2000) was that “friendship with service personnel” provided direct contribution to loyalty development resulting in their encouraging customers to make purchases.

Concerning marketing tools, traditional advertising from media outlets does not stimulate immediate demands from targeted audiences due to lack of two-way communication between them (Travis Yates, 2016 & Kapil Sharma, 2009). Various low profit/high volume pricing and competitors’ pricing were employed by Filipino-Chinese managers (Zi-Yuan, G., 1999). In addition, a study by Chih-Hsieh, C. (2005) indicated that it is significant for pharmacists and suppliers to jointly provide the proper goods based on supply and demand conditions in the market. Discounts given to old customers of TCM products increased their purchases of TCM products. Another study asserted that firms in a given industry should concentrate even more on their customer relations so as to have loyal customers (Mårtensson, A., Sandberg, P. & Scharmer, C., 2005). Petra, P. (2004) further stressed in the article Relationship Marketing and Customer Relationship Management that concentrating on customer relations would likely end up with loyal and satisfied customers; however, most pharmacists had not demonstrated their eagerness to recommend or re-direct suitable TCM for consumers (Menghuan Song et al., 2017).

The question raised now is whether such profiles and marketing tools are still effective in generating improvements in sales among present-day TCM drugstores.

CONCEPTUAL FRAMEWORK

As mentioned in the statement of the problem, personal profile, organization profile, and marketing tools served as the three sets of explanatory variables affecting “sales improvement” with the latter as the dependent variable. The relationship is presented schematically in Figure 1 which follows.

![Figure 1: Conceptual Framework](image)

The first of the three variables that could affect sales are the personal profiles of the persons involved in the transaction, namely, the owner-manager of the drug store, the employee as well as the customers of the establishment. This study investigated their gender, age, decisiveness, civil status, educational attainment, birthplace and years-of-being-an-owner-manager/employee/user of TCM.

For the second set of explanatory variables, the organizational profile of the drugstores, this study looked into the nature of ownership, indicators of span-of-supervision, years-of-operation, organizational structure, the number of outlets in Binondo, initial capitalization, monthly average pay per worker, New Year’s dinner treat for workers, target customers, main TCM products, and service time.
As for the third variable – the marketing tools – they were grouped according to the variables that the study sought to investigate. The first was the product (quality, brand imagining, pricing, sales info) in order to make the customers know that they have what the customers want in their stores. The second was the customer (loyalty, public relations, free trials, sales promo via credit,) to entice them to purchase the product by enhancing customer loyalty, customer relations and by offering free trials and credit. The third was the store itself (its location, display, and reputation) insofar as it captured customers’ attention in terms of its location, the attractive displays it puts up and its reputation.

Hypotheses
To answer the research questions raised in this study, the Null (H0) Hypotheses read as follows:

$H_0$: Each of the items falling under personal profile, organizational profile, and marketing tools would make no difference in the sales improvement of TCM products.

$H_0$: There is no difference in the effect of each item under personal profile, organizational profile and marketing tools on the sales improvement of TCM products.

Definition of Terms
Personal profile – This refers to the personal data of the respondents consisting of gender, age, length of service as owner-managers and employees, length of use of TCM by customers, and the professional background of owner-managers.

Organizational structure – This has to do with the positions of the personnel (line-hierarchical, line-flat, matrix, organic) and the salary given the employees.

Marketing tools – These consist of the services and approaches used to generate sales. Among the former are the decors put up in the store (e.g. the TCM drugstore’s interior decoration looks new.), store reputation enhancement (e.g. the ancestral motto on righteousness), repurchase reminders, credit cards, and reasonably-priced decocting pots. The approaches employed include free trial of merchandize before purchase, public relations such as the use of media, customers’ effective usage experience, and value-added service.

DATA AND METHODOLOGY
To draw up the data-gathering instrument used in this study, a one-on-one interview using an unstructured questionnaire was first conducted with experts consisting of fifteen freely sampled experienced owner-managers of TCM drugstores at or near Ongpin Street. Their ideas were incorporated in a structured questionnaire which was used to gather data from three groups of respondents: 31 managers, 31 rank-and-file employees, and 31 customers from 31 TCM drugstores in Binondo. Because the structured-questionnaire included some sensitive information such as BFAD’s registration number and personal perceptions, the researcher had to visit the TCM drugstores and ask how the owner-manager respondents, employee respondents, and customer respondents were doing in accomplishing the questionnaire.

For data analysis, two (2) sets of data transforms were employed prior to statistical analysis. One was through “Compute Variable” in the SPSS Transform Data Program which transformed the response level of 1, 2, 3, or 4 to every question answered by the respondents into “computable” values of 0 or 1 regardless of whether the original data were in “nominal” or “ordinal” scale. Then Factor analysis was employed to determine the independent variables which had the highest Factor Loadings with their
extracted components. Lastly, those independent variables and the data of sales improvement were subjected to further processing through ANOVA and Regression both Stepwise and Enter to single out which of the items were significant. The data per respondent-type served as inputs for Stepwise Regression while the data regardless of respondent-type served as input for Enter Regression.

The other set of data transforms was to designate all respondents’ response levels 1 and 2 as zero while 3 and 4 as 1 and use the results to serve as input for ANOVA and Enter Regression.

Results, Analysis and Evaluation

Through “Compute Variable” in the SPSS Transform Data Program, there were 273 dummy values with either 0 or 1 which were consistent based on the data contained in all the responses. Then, through Factor Analysis, the 273 dummy values were reduced to 68 extracted components which contained a lot of information. These made up 94.786% of all the data pertaining to the independent variables. Having obtained through Factor analysis the components that proved to give a lot of information, those components were subjected to ANOVA to single out those that proved to be significant since they exhibited the desired significance level of 0.05 in the 2-tailed test. The items were further categorized into those that gave much information and those that had only minimal information.

Regression analysis – Stepwise as well as Enter Regression – was then done to reduce the 68 items further to those that proved to be significant insofar as the variables (personal profile, organizational profile, and marketing tools) were concerned as perceived by the respondents of the study, namely, the owner-managers, employees, and customers. Stepwise Regression was used to come up with a constant for each of the three groups as well as the components that proved to be significant as perceived by the respondents of that group. For the owner-managers there were three for the employees there were seven, and for the customers there were eight. On the other hand, Enter Regression was used to obtain the overall constant of the entire body regardless of the grouping of the respondents as well as the components that were significant irrespective of the grouping. For this, there were three components, one for each group. Stepwise and Enter Regressions therefore singled out the independent variables that could significantly affect sales improvement. The Regression analysis summary (Stepwise as well as Enter Regression after Factor Analysis) are given in Table 1 which follows. The table shows that some Personal profile items, organizational profile items, and marketing tools could have a significant effect on sales improvement.

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>Coefficients</th>
<th>Unstandardized B Coefficients (UBCs) / Standardized Beta Coefficients (SBCs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>Owner-manager (OM)</td>
<td>2.201*</td>
</tr>
<tr>
<td></td>
<td>Employee (E)</td>
<td>2.970*</td>
</tr>
<tr>
<td></td>
<td>Customer (Cu)</td>
<td>3.343*</td>
</tr>
<tr>
<td></td>
<td>Regardless of respondents (Overall)</td>
<td>3.833*</td>
</tr>
</tbody>
</table>

Personal profile:

- P.Gen1: -.917/- .476* in owner-manager,
- P.YB3: .681/.235* in employee,
- P.EA1: -.476/- .192* in customer,
- P.Gen1: -.890/- .456* in overall.

Organization profile:

- O.PW1: .623/.323* in owner-manager,
- O.TW0: -.972/- .419* in employee,
- O.S2: -.844/- .349* in customer.

Marketing tools:

- M.PQ.e4: 1.423/.513* in owner-manager,
Among the observations that may be made from the data are the following

1. The F-value of the data obtained from the three groups of respondent taken as a whole (overall) or broken down into groups (owner-manager, employee, customer registered the desired significance level since their p was lower than the alpha significance level of 0.05 in the two-tailed test.

2. The ability of the data to explain sales improvement was highest where the customers were concerned (90.1%), followed by those from the employees (87.3%) and lastly by owner-manager (49.8%). Nonetheless when all of the variants were put together regardless of respondents the overall ability of the data to explain sales improvement was 84.7%.

3. It might be pointed out that when Enter Regression Analysis was done without Factor Analysis regardless of respondent-type, its results (p=.065) did not reach the desired significance level of 0.05 in the 2-tailed test, and hence Enter Regression Analysis done without Factor Analysis failed to single out items that could predict sales improvement.

4. There was a difference in the constants resulting from Stepwise Regression for the groups (2.201 for owner-managers, 2.970 for employees, 3.343 for customers) and from Enter Regression (3.833) for all of the respondents regardless of the grouping. This indicates that although the constants all proved to be significant, there are other variables aside from those included in the questionnaire which would affect sales.

If the 118 independent variables which have absolute factor loadings greater than 0.5 are combined, they form 68 extracted components. And if these are made to serve as the input for Enter Regression, the result of Enter Regression analysis shows a rejection-result (similar to that of Enter Regression without Factor Analysis). Its overall F value namely p = 0.053 is greater than α= 0.05. Hence, this indicates the absence of any significant result if Enter Regression is used.

**SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

This study is basically a survey intended to single out features that would result in sales improvement of traditional Chinese medicine (TCM) in the country. The data obtained through the use of a structured questionnaire consisted of the perceptions of the owner-managers, employees, and customers of TCM drugstores in Binondo regarding three variables that could affect sales. These were the personal

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<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>OM.SI</th>
<th>E.SI</th>
<th>Cu.SI</th>
<th>Overall.SI</th>
</tr>
</thead>
<tbody>
<tr>
<td>R²</td>
<td>0.498</td>
<td>0.873</td>
<td>0.901</td>
<td>0.847</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>0.443</td>
<td>0.834</td>
<td>0.865</td>
<td>0.412</td>
</tr>
<tr>
<td>F value</td>
<td>F (3, 27) = 8.944*</td>
<td>F (7, 23) = 22.486*</td>
<td>F (8, 22) = 25.091*</td>
<td>F (68, 24) = 1.948*</td>
</tr>
</tbody>
</table>

*P<.05
profiles of those involved in the sales and purchase of traditional Chinese medicine in selected drugstores in the area, the organizational profile of the said stores and the marketing tools used by employees to improve sales. The results were subjected to Factor analysis to determine the features that contained a lot of information. With ANOVA and Regression analysis the factors singled out by the three groups of respondents and by the group as a whole were narrowed down to those that would have a significant positive or negative effect on sales. The results are summarized in Table 2 which follows.

Table 2: Regression Analysis Summary by Variable-Type Indicating Items Perceived to Enhance or Serve as a Deterrent to Sales Improvement (after Factor Analysis)

<table>
<thead>
<tr>
<th>Personal profile</th>
<th>Respondents</th>
<th>Factors Perceived to Affected Sales</th>
<th>Positive effect on Sales Improvement</th>
<th>Deterrent to Sales Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner-manager</td>
<td>(+) Female gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>(+) 15-to-less-than-25-years of being an employee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer</td>
<td>(+) 15-to-less-than-25-years of being a customer, (+) Educational attainment of High school degree and lower</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Across regardless types</td>
<td>(+) Female gender</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organization profile</th>
<th>Respondents</th>
<th>Factors Perceived to Affected Sales</th>
<th>Positive effect on Sales Improvement</th>
<th>Deterrent to Sales Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner-manager</td>
<td>(+) A monthly average pay per worker of 6,000.00 Pesos and above</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>(+) Non New Year’s dinner treat for workers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer</td>
<td>(+) Line-hierarchical Structure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regardless of respondents</td>
<td>(+)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marketing tools</th>
<th>Respondents</th>
<th>Factors Perceived to Affected Sales</th>
<th>Positive effect on Sales Improvement</th>
<th>Deterrent to Sales Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner-manager</td>
<td>(-2) New interior decoration of TCM drugstores</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee</td>
<td>(-2) The owner-managers’ friends use of credit cards (2) Tradition-bound production, free TCM tea on trial before buying, (+) The owner-managers’ impressive professional background, (-) The use of customers’ effective usage experiences, (+) Mass media’ negative reports</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regardless of respondents</td>
<td>(-) the need for an ancestral motto about righteousness in doing business</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(+2) highly agree (+) agree
(-) disagree (-2) highly disagree
On the whole as indicated in Table 2 the results pertaining to the personal profile of those involved in the sale and purchase of TCM results showed that where owner-managers are concerned, having a female occupy a managerial position would be detrimental to sales improvement. This may be attributed to male chauvinism true to many Asian countries. Customers, on the other hand, are of the belief that targeting sales efforts to persons with 15 to less than 25 years of patronage or whose educational attainment is high school or lower would be to no avail. The only item pertaining to personal profile singled out by employees as beneficial to sales was for the rank and file to have at least 15 to less than 25 years of experience in TCM sales.

Regarding the organizational profile, owner-managers considered a monthly average pay of 6,000.00 and above per worker as beneficial to sales. Customers saw withholding the New Year’s dinner treat to workers as detrimental to sales improvement. Employees did not single out any item pertaining to organizational profile that would be good or otherwise for sales improvement. Among the rank and file, therefore, experience in the job, salary and benefits (e.g. New Year’s dinner) are factors that have a positive effect on sales. For that matter, these are true to other business establishments as well.

As for marketing tools to employ owner-managers saw no need for new interior decorations for TCM drugstores. For them, it is highly inappropriate for drugstores which are renovating to simply follow what another drugstore has done about the changes and interior decors they put up.

Employees on the other hand perceived mass media negative reports and the use of credit cards by the owner-manager friends as detrimental to sales improvement but they believed that the traditional way of producing TCM, the practice of offering free TCM tea on trial before customers decide to purchase it, the impressive professional background of the owner manager and the use of customers’ effective usage experiences could positively affect sales improvement. This indicates the high regard for education and training as credentials for those occupying managerial positions and the use of customers’ effective usage experiences as proof that Traditional Chinese medicine works.

Customers saw no need for offering reasonably-pricing decoction pots as value-added service or for putting up in the drugstore an ancestral motto about righteousness in doing business. But they considered the availability of stock brands, the inclusion of instruction leaflets and repurchase reminders as positive tools to use to improve sales.

For a fact, both employees and customers think traditional-bound productions or stock brands are significant marketing tools. The so-called “pull-force” marketing of those two tools will entice customers to flock to their drugstores for purchases. As for the employees’ responses, the “push-force” marketing tools such as owner-managers with impressive professional backgrounds and free TCM tea on trial can persuade or encourage customers to try and then buy TCM products that they may not want or plan to purchase. In the long run, free TCM tea on trial may decrease customers’ post-purchase problems with TCM. The customers also agree on the “push-force” of the repurchase reminder as a marketing tool since it encourages customers to buy or repeat their purchases.

Considering however all the responses regardless of the respondents, only three items surfaced — one per independent variable — that would have a significant negative effect on sales. In the case of personal profile it is assigning females as managers of the store. As for the organization profile, a line-hierarchical structure should be avoided. And regarding marketing tools, there is no need to display in the store ancestral motto about righteousness in doing business.
Recommendations

Taking into account the perception of all three respondent-types – the owner-managers, employees, and customers – that female owner-managers deterress to sales improvement, further studies could be undertaken to find out the reasons for the negative responses given regarding female owner-managers and what might be done to change this gender-bias view against the female species in TCM drugstores.

Another significant perception true to all three groups of respondents was that there is no need to display in the store ancestral mottos about righteousness in doing business. For them, the traditional marketing tool of having a sign on righteousness is not effective as a marketing tool that could help drugstores achieve sales improvement. In fact, as shown in their responses they think traditional ancestral mottos make customers dislike making purchases in their drugstores. Future research could try to determine the reason underlying the respondents’ negative feelings or thoughts regarding ancestral mottos which ironically were meant to improve sales.

Concerning the third common perception that it is best not to have line-hierarchical structures, this is in keeping with the current emphasis on professionalism where everyone in the structure is expected to contribute according to his/her expertise. In fact it might be pointed out that the respondents believed that the owner-managers’ professional background can position the TCM drugstores as professional, capable of satisfying the customers’ need for information regarding medicinal products. Some suggestions given were for owner-managers to try obtaining professional background knowledge through training sessions. The government or government-accredited private units could be the ones to provide relevant training programs to the owner-managers to differentiate their TCM services from others and to enable them to face a variety of customer demands.

It might be pointed out that due to the presence of significant constants in the regression analysis used in this study, it may be concluded that aside from personal profiles, organization profile, and marketing tools, “sales improvement” was also affected by other independent variables. Further investigation of the contents of these constants could also possibly create more market opportunities for the TCM drugstores and prevent the overall market pie from getting smaller than before. Based on Cronbach’s Alpha (α) = .699, future academic research, may raise other marketing questions covering new marketing tools not considered in this study.

This study therefore recommends that future business research examine other sets of independent variables and business situations unique to TCM drugstores. Then would be of value to TCM drugstores as an aid in differentiating themselves and in making a more selective and focused investment in improving sales. It is better for some owner-managers to spend more money than before on few-but-effective-tools that would enable TCM drugstores to achieve Sales Improvements.

REFERENCES


