



CROSS-SECTIONAL AND LONGITUDINAL ANALYSIS OF MULTI-BRAND RETAIL FIRMS IN THE PHILIPPINES

ERIKA L. MAGDAONG

ORCID NO. 0000-0001-7506-2802

magdaongerika@gmail.com

University of Sto. Tomas

San Ildefonso Bulacan Philippines

ABSTRACT

The retail sector was having a hard time addressing which of the trends they need to work first whether it is the emerging e-commerce, the new era that is dominating the workplace right now which are the Millennials, new government-mandated law such as the TRAIN Law and many other factors affecting their operational, technical and managerial efficiency. The purpose of this paper is to identify if there is an overall growth in the retail industry here in the Philippines despite amidst disruption and changes in the digital age through comparing the efficiency of the following leading companies' inputs and outputs in a cross-sectional and longitudinal analysis. The researcher further aims to identify the sources of productivity of the retail firms and also pinpoint which among the players exhibit the most efficient and inefficient performance. The researcher chose the leading companies in the retail spectrum here in the Philippines as follows: SM Investments Corporation and Subsidiaries, Robinsons Retail Holdings Incorporation, Puregold Price Club Incorporation, Metro Retail Stores Group, and SSI Group Incorporation and Subsidiaries. This study uses Data Envelopment Analysis (DEA) - a management tool to identify the relative technical efficiency of the leading firms in the retail industry here in the Philippines from the year 2014 up to 2018. Moreover, this paper explores the efficiency performance over different periods by using the result gathered in the Malmquist Productive Index. DEA revealed that the leading multi-brand retail here in the Philippines has the varying performance of efficiency every year. The reason behind that must be the fast-changing economic and cultural aspect here in the Philippines which mainly affects their business operation. However, based on the result of the Malmquist Index Summary of Annual Means all of the firms' scores less efficient except in terms of the managerial aspect. It indicates that although the retail industry is performing below the average of the acceptable score of efficiency their managerial aspect is still doing good which indicates that they are managing their resources efficiently despite their technical obsolete.

Keywords: Retail Industry, DEA, Philippines