

Sustaining Profitability a Qualitative Inquiry into the Operational Practices and Challenges of Pasalubong Shop Operators and Personnel in Sorsogon City

Bernadeth Infante Caoyonan¹; Bea Angeline Sumido De Vera²; Sheena Enalpe³;
Ma. Novaline Broñola Jarabejo⁴

^{1,2,3,4}A Research Presented to the Faculty of College of Business and Management Department Bachelor of Science in Tourism Management Sorsogon State University Sorsogon City

Publication Date: 2026/01/09

How to Cite: Bernadeth Infante Caoyonan; Bea Angeline Sumido De Vera; Sheena Enalpe; Ma. Novaline Broñola Jarabejo (2026) Sustaining Profitability a Qualitative Inquiry into the Operational Practices and Challenges of Pasalubong Shop Operators and Personnel in Sorsogon City. *International Journal of Innovative Science and Research Technology*, 11(1), 321-342.
<https://doi.org/10.38124/ijisrt/26jan175>

ACKNOWLEDGMENT

The research study is supported by the researchers' Bachelor of Science in Tourism Management (BSTM) program instructors and Sorsogon State University (SorSU). The proponents, thus, would like to thank their classmates, relatives, instructors, and friends who provided valuable insights that significantly contributed to the current undertaking.

The completion of this undertaking would not have been possible without the invaluable guidance of the research adviser, Mr. Bleake De Guzman. His insightful comments and recommendations significantly enhanced the quality of this study. They wish to thank him for his consultation in the formulation of this research study.

Moreover, The researchers would like to express their sincere gratitude to Mr. And Mrs. Caoyonan, Mr. And Mrs. De Vera, Mr. And Mrs. Enalpe, and Mr. And Mrs. Jarabejo for their constant support and guidance during the study.

Above all, to the Almighty God, the author of wisdom and knowledge, for his countless love and support throughout the research work to completely defend the research successfully.

B.I.C
B.A.S.D.V
S.E
M.N.B.J

ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) specializing in local tourism products, specifically *pasalubong shops*, serve as critical economic drivers in regional centers like Sorsogon City, Philippines. This qualitative inquiry explores the operational practices and challenges faced by *pasalubong shop* operators and personnel in Sorsogon City, with a focus on strategies for sustaining profitability. Utilizing a phenomenological approach, the study gathered insights through semi-structured interviews with 10 operators and key personnel in various *pasalubong* establishments. Transcript review is completed to strengthen credibility and trustworthiness. Thematic analysis revealed key operational practices encompassing strategic sourcing of local products, innovative product development and packaging, targeted marketing, and personalized customer service. Major challenges identified include intense competition, seasonality of tourism, supply chain inconsistencies, fluctuating capital, and difficulties in labor retention. To sustain profitability, operators employ strategies such as product diversification, strategic pricing, digital marketing, establishing local partnerships, and continuous innovation. The findings underscore the resilience and adaptability of local entrepreneurs in Sorsogon City and provide valuable insights for policymakers, tourism stakeholders, and aspiring business owners. Recommendations include enhancing government support for local product development, facilitating market linkages, and providing capacity-building programs.

Keywords: *Operational Practices, Pasalubong Shops, Qualitative Inquiry, Sustained Profitability.*

TABLE OF CONTENTS

Page	
	TITLE PAGE.....
321	ACKNOWLEDGMENT.....
322	ABSTRACT.....
323	LIST OF FIGURES.....
325	CHAPTER ONE INTRODUCTION.....
326	Pasalubong.....
326	Pasalubong Shops.....
326	Operational Practices.....
326	Profitability.....
326	Economic Impact of Tourism in Sorsogon City.....
327	Sustainable Tourism and Development Goals.....
327	The Frameworks of the Study.....
327	The Present Study.....
329	Definition of Terms.....
331	CHAPTER TWO METHODOLOGY.....
333	Research Design.....
333	Sources of Data.....
333	Research Ethics.....
333	Research Instrument.....
333	Data Collection.....
334	Data Analysis.....
335	CHAPTER THREE RESULTS
340	CHAPTER FOUR DISCUSSION.....
341	CHAPTER FIVE CONCLUSION AND RECOMMENDATION.....
342	REFERENCES.....

LIST OF FIGURES

No.	Page
Figure 1 Theoretical Paradigm	328
Figure 2 Conceptual Paradigm	329

CHAPTER ONE INTRODUCTION

The study explored how *pasalubong* shop operators in Sorsogon City managed their day-to-day activities and identified the practices that sustained profitability. It sought to fill a qualitative gap in tourism–MSME research by interviewing six owners and personnel.

➤ *Pasalubong*

The *pasalubong* tradition—rooted in the Filipino concept of “salubong” or welcome—represents a culturally embedded practice of gifting souvenirs to family and friends after travel. Beyond simple gift-giving, it serves as a mechanism for strengthening social bonds and asserting regional identity. In the Philippines, this practice has evolved into a substantial micro-enterprise sector, with *pasalubong* shops supplying locally produced delicacies, crafts, and branded memorabilia that both sustain livelihoods and promote cultural heritage. Despite the economic and cultural significance of these enterprises, there is a notable scarcity of academic literature exploring their operational intricacies, particularly within the framework of Micro, Small, and Medium Enterprises (MSMEs) in the tourism sector. This study addresses the research gap by conducting a qualitative investigation into the daily operations of six *pasalubong* shop owners in Sorsogon City—a rapidly developing tourism hub. By examining how owners source raw materials, manage inventory, engage customers, and leverage digital platforms, the research seeks to uncover the mechanisms that sustain profitability amid supply inconsistencies, intense competition, seasonal demand fluctuations, and capital constraints. The findings aim to contribute to tourism-MSME literature, inform local development policies, and offer actionable recommendations for enhancing the resilience and economic contribution of *pasalubong* enterprises in Sorsogon and comparable destinations.

➤ *Pasalubong Shops*

The Philippine economy relies heavily on the contribution of MSMEs despite being a widely observed tradition, souvenirs have received limited research attention, particularly in the context of globalization and digitalization. *Pasalubong* shops contributes to the overall visitor experience by connecting places culture to physical possessions/groups (Lopez, 2020). The importance on crafts and local products enriches the tourist experience. These shops become cultural and economic assets in tourism, particularly for small or medium enterprises (SMEs) especially in Sorsogon City where provincial tourism is budding. Research by Reyes and Mercado (2021) highlights that strong *pasalubong* sector able to contribute inclusive tourism to employment generation, encourage the self-development of entrepreneurship, and support local craftsmanship. Building on this tradition, *Pasalubong* shops have emerged as key players in the tourism value chain.

Pasalubong shops located along bus terminals, downtown centers, or near the Rompeolas area benefit from higher level of visibility and tourist influx. Accessibility, parking space and adjacent complementary businesses (restaurant, convenience store...) will also be a factor into the total guest experience.

➤ *Operational Practices*

Operational practices refer to the systematic methods, routines, and activities undertaken by these businesses on a day-to-day basis to manage their core functions and achieve their objectives. These encompass everything from the careful sourcing and procurement of local delicacies and handcrafted products, to the production processes inventory management to ensure freshness and availability, effective merchandising and display strategies, quality control measures, pricing strategies, sales techniques, customer service protocols, and even staff management and financial record-keeping.

➤ *Profitability*

Sustaining profitability for *pasalubong* shop operators and personnel in Sorsogon City is a multifaceted endeavor, profoundly shaped by their unique operational practices and the inherent challenges they face. At its core, profitability determines whether a company's activities are financially feasible and efficient, but it is also inextricably linked to strategic planning and resource management. High profitability enables organizations to reinvest in innovation, enter new markets and increase employee compensation downturns more successfully. Location is also important; souvenir stores in high-traffic areas such as airports, major attractions, or cities benefit from increased visibility and potential for impulse purchases. While much academic attention focuses on general entrepreneurial trends or marketing strategies, a substantial qualitative gap remains regarding the intrinsic operational practices and internal managerial challenges that dictate the long-term financial viability of these small-scale firms. This study aims to fill this void by conducting a meticulous qualitative inquiry into the operational practices and decision-making frameworks employed by selected *pasalubong* shop operators and personnel.

➤ *Economic Impact of Tourism in Sorsogon City*

The tourism industry plays a big part in the economic advance of the country and uplifts the lives of millions of Filipinos for it is one of the most potent engines for long-term economic growth. Additionally, in Palafox (2018) study our many provinces in the Philippines are majorly dependent on tourism for their source of livelihood. The old Sorsogon City as the heart of trade and industry as stated by Philippine Information Agency or the official public information from the government of the Republic of the

Philippines: "40.0 percent source of income for primary employment of the families in Sorsogon was through their entrepreneurial activities. Around 12,250 of the families working in salaries and wages are in agriculture, 27,343 families not from agriculture sector. Local items such as pili, abacca, and "karagumoy" are some of the well-known commodities coming out of the province; all of this while competing internationally. The congressional fund provides developmental funds to these local items, increase the spirits of the small and mid-scale enterprises bonuses also included the souvenir shops.

➤ *Relevance to Sustainable Tourism and Development Goals (SDGs)*

Sustainable tourism is a driving force for job creation, economic growth and development (ILO, 2016). The launch of the Sustainable Development Goals (SDGs) are designed to provide some consensus and an all embracing common sense of purpose to sustainable development across the globe. The study specifically focused on Goal 8 (Decent Work and Economic Growth), emphasizing education on recyclables, reduced chemical use, and sustainable energy. These goals aim to balance present needs with future sustainability, fostering a more equitable and environmentally conscious tourism industry. This goal necessitates that individuals have comfortable working circumstances, full employment under conditions of freedom, equity, human security, and dignity, and a rise in products and services. The *pasalubong* industry contributes to decent work and economic growth by supporting micro, small, and medium enterprises (MSMEs). These local businesses are crucial for employment generation, particularly in rural areas where job opportunities may be limited. Local industries foster economic resilience and sustainability by providing employment that utilizes local resources and skills, highlighting the objective set forth in SDG 8, which emphasizes the need for sustained, inclusive, and sustainable economic growth (Moro et al., 2022). On the other hand, Goal 12 (Responsible Consumption and Production): to sustain development, people must be educated about the value of recyclable materials, less reliance on chemicals such as fertilizers, and less reliance on fossil-based energy, which is harmful to people's health and the environment. Management scholars in the domains of marketing, production, and green management can substantially assist in accomplishing this goal.

This qualitative inquiry delves into the core of their businesses, exploring the strategies they employ to maintain a consistent financial return amidst fluctuating market demands and competitive pressures. Understanding how these entrepreneurs navigate supply chain intricacies, manage inventory effectively, and cultivate customer loyalty through personalized service and product quality is crucial.

This research focuses on the Sorsogon City where, in common with across the country, microbusinesses selling crafts as souvenirs contribute to local income and employment (Grobar, 2019; Trupp, 2023) but also promote tourism destination images (Thirumaran et al., 2014). This study addresses a gap in the existing literature by qualitatively exploring the lived experiences of *pasalubong* shop operators and personnel in Sorsogon City. It seeks to understand the specific day-to-day operational practices they employ to maintain revenue streams and investigate the structural and market-based challenges that threaten their sustained economic viability. Ultimately, this research is designed to yield empirically grounded insights and strategic recommendations that can inform local business development policies and enhance the operational efficiencies of the *pasalubong* sector, thereby strengthening Sorsogon City's local economic contribution to the wider tourism industry.

➤ *The Frameworks of the Study*

This section provides the theories and concepts that relates to the objectives of the present study. This includes the theoretical and conceptual framework of the study along with its corresponding paradigm.

➤ *Theoretical Framework*

The theoretical framework for the study "Sustaining Profitability: A Qualitative Inquiry Into The Operational Practices And Challenges Of *Pasalubong* Shop Operators and Personnel In Sorsogon City" delve more into four theoretical perspectives to comprehensively assess the probability of a *pasalubong* shop,

This study was anchored on the *Customer Value Theory* (Zeithaml, 1988), is based on the belief that the key to achieving success in the market place is understanding and improving the value that customers perceive in a product or service. This value is seen as the main determinant of a product's or service's success or failure in the market place. In the study, the perceived value of a *pasalubong* shop could be influenced by Product authenticity and cultural significance, Product quality and packaging, Pricing strategy, and Customer service.

Based on the theory of Birger Wernerfelt and Jay Barney, the Resource-Based View (RBV) Theory, states that firms should study their own resources to determine competitive advantage, in addition to studying their competitors. The RBV Theory distinguish between concrete resources such as land and physical equipment and intangible resources like reputation or proprietary knowledge which are more difficult to replicate.

Following the tenets of the *Market Orientation Theory* (Kohli & Jaworski, 1990; Narver & Slater, 1990), success is seen as a repeated cycle of generating market intelligence, establishing a client need, and producing a market response, with profitability being a function of the alignment of customer value, competitor strategy, and internal organizational capabilities with market conditions. In the context of the *pasalubong* shops, this means that success is achieved by meeting the expectations of travelers and the needs of locals and tourists for culturally relevant, quality products at reasonable prices.

Furthermore, the *Supply Chain Management Theory*, provides additional insight into the success of pasalubong shops. This theory explains how businesses create value and improve performance by managing the flow of goods, information and resources from suppliers to customers and consumers (Mentzer et.al., 2001). If a business's supply chain management from sourcing to manufacturing to distribution through to customer delivery is optimized, the business can be expected to be more competitive and profitable.

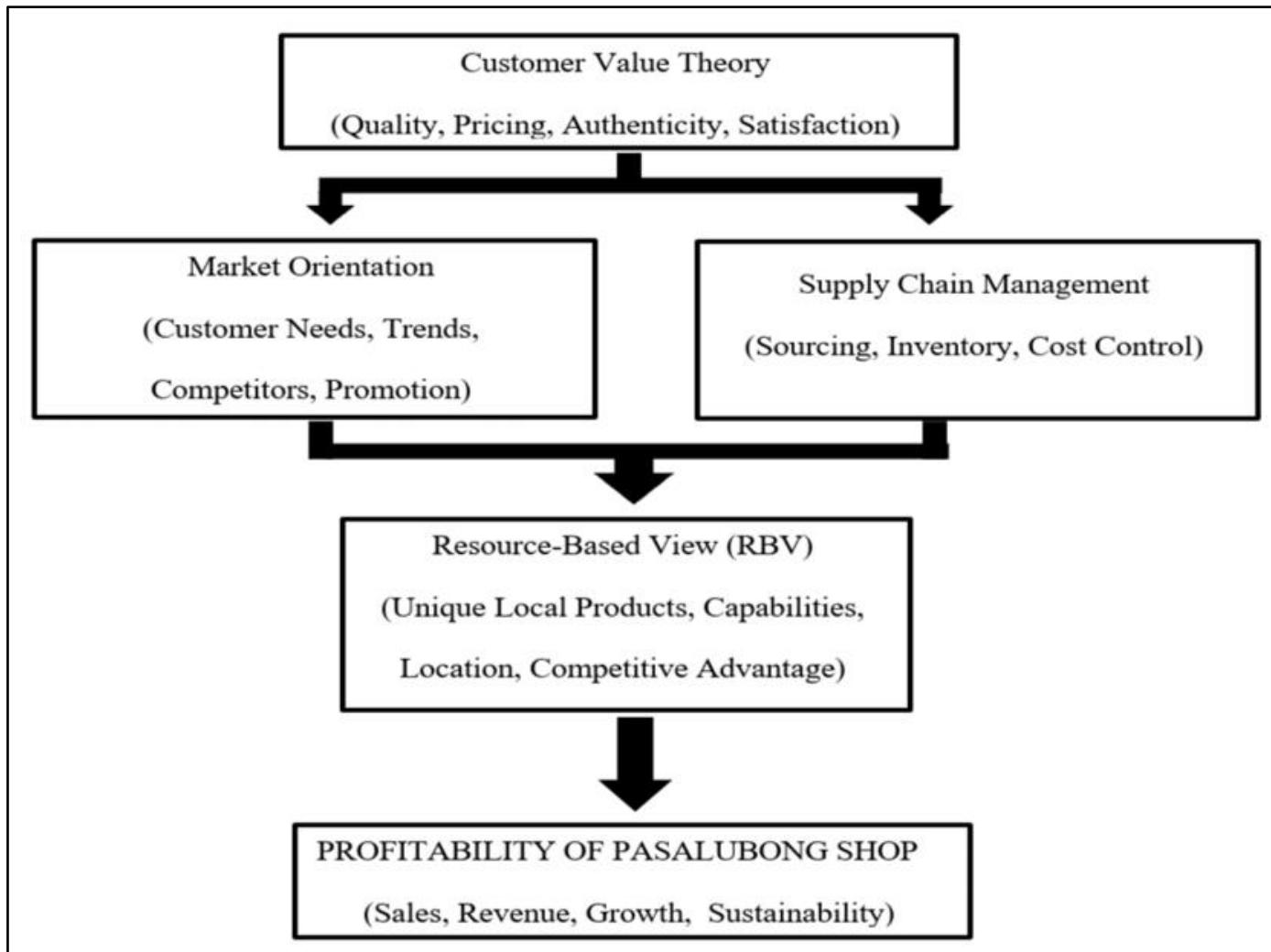


Fig 1 Theoretical Paradigm of the Study

Figure 1. Illustrates the interplay among the four theories guiding the study. Authenticity and unique local products, Quality of customer service, Customer-perceived value integrates economic and sustainable goals into a coherent framework for community empowerment.

➤ *Conceptual Framework*

The conceptual framework illustrates the key variables in understanding how *pasalubong* shops in Sorsogon City strive for sustained profitability. It depicts the interplay between operational practices, challenges, and the strategies employed.

The first component mainly focuses on the operational experiences of the manager and personnel of every *pasalubong* shops in Sorsogon City. It specifically explores their day-to-day involvement in business operations, including sourcing of local products, customer service, staffing, sourcing of local products, coordination with suppliers, pricing, and inventory management. Through these lived experiences, the study seeks to understand how operational practices are realized in real business settings, as well as how they impact profitability and sustainability of *pasalubong* shops.

The second component after analyzing the operational experiences gathered from the participants, is to identify the three interrelated components: Operational Practices, Challenges, and Strategies. This component also captures the obstacles encountered in managing operations, as well as the adaptive techniques used by the shops, which serve as the foundation for examining their operational methods and suggesting opportunities for improvement within the research framework.

Lastly, the interaction of all of these components in the framework will lead to the output, which will be the interpretation and findings of the study of *pasalubong* shops' operations, respond to challenges, and identify areas for improvement.

In summary, the flow of this framework indicate the dynamic and continuous interaction between operational practices and strategies, suggesting that changes in one component influence the other.

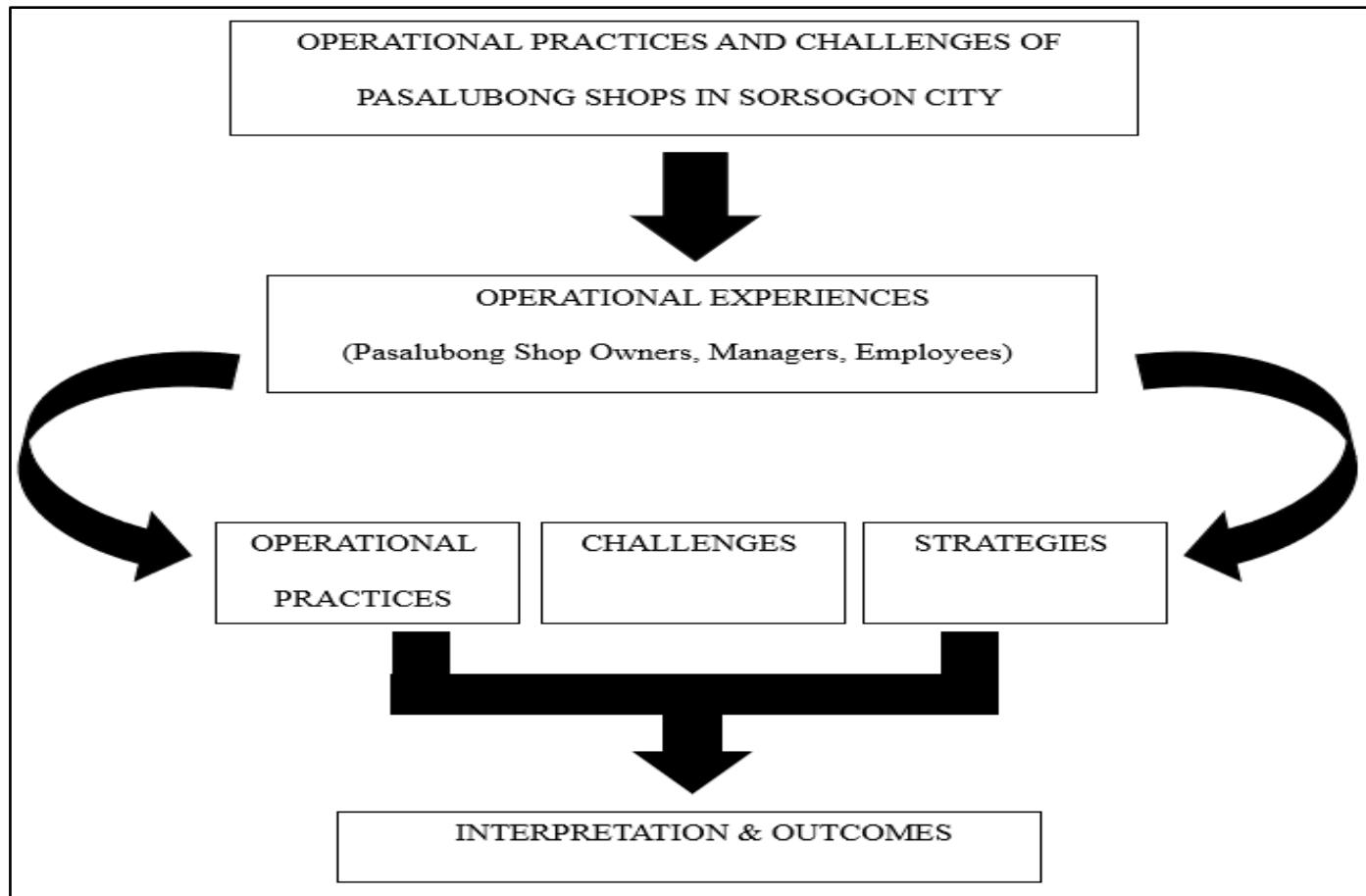


Fig 2 Conceptual Paradigm of the Study

Figure 2. This framework presents the conceptual framework of the study on the operational practices and challenges of *pasalubong* shops in Sorsogon City.

➤ The Present Study

The scholarly interest in Sorsogon City's *pasalubong* shops is deeply rooted in their contribution to tourism, local economic resilience, and sustainable development. As emphasized by Swanson and Timothy (2012), souvenirs are not merely objects but essential components of the tourism experience that drive economic activity. Current literature extensively covers why tourists purchase souvenirs often focusing on attributes and spending habits; there remains a noticeable gap in practical, operational insights for the shop owners themselves. Furthermore, the specific preferences of souvenir collectors remain largely under-researched, highlighting a need to explore the deeper motivations and behaviors within the industry.

Beyond simple commerce, the “*pasalubong*” tradition serves as a vital social bridge. Roces (2018) argues that this cultural practice reinforces familial and communal bonds, creating a consistent demand for regional delicacies like Bicol’s pili nuts or Vigan’s longganisa. These items act as “cultural tokens” (Dela Cruz, 2020) that preserve heritage and provide livelihoods for local artisans. Effectively marketing these products requires a delicate balance of authenticity and storytelling (Alia et al., 2021). Despite this cultural weight, the operational side of *pasalubong* shops remains a largely untapped field of study. Shopping is a universal tourist activity that generates significant annual revenue, yet the internal financial and management perspectives of local merchants are rarely the primary focus of academic inquiry.

In the Philippine context, Micro, Small, and Medium Enterprises (MSMEs) serve as the economy's backbone, yet they face unique hurdles. These businesses must navigate financial constraints, regulatory complexities, and shifting consumer preferences that can jeopardize their market position. Effective operational cost management and efficiency are therefore critical for survival

(Telaumbanua & Maria, 2024). The *pasalubong* shops in Sorsogon City involves a complex mix of sourcing from local farmers and managing a diverse inventory of both non-perishable crafts and highly perishable food items. As stated by Esteban & Lim (2020), This was because waste directly erodes profit margins, strategic decisions regarding inventory and quality control become imperatives for long-term sustainability.

The existing investigations reviewed in this section provide essential context regarding tourist demographics and cultural motivations, but they primarily serve as a supplemental foundation. This study distinguishes itself through a specific focus on the operational mechanics and profitability challenges unique to the Sorsogon City landscape. Rather than repeating general purchasing patterns, this research addresses the qualitative gaps in how local operators maintain their businesses amidst economic fluctuations. Through the synthesis of established cultural theories and new operational data, this inquiry provides the necessary principles to support the success and growth of the local souvenir industry.

➤ *Synopsis of Related Studies*

The researchers' citations and presentations of linked related literature and studies provided explicit views and an all-inclusive baseline information which accommodates the needs of the study with regards to an easier and broader undertaking. Studies indicate that when community members participate in the planning and execution of projects, they are more likely to feel a sense of ownership and responsibility, leading to sustainable outcomes. This engagement is essential for initiatives aimed at enhancing local economies particularly in the sectors of tourism and cultural.

The researchers acquired and evaluated the previous studies, which supplied them with true insights and helped them conceptualize the research project. The listed linked literature aided the researchers in developing the study's theoretical and conceptual foundations. Other materials in the related literature discussed the current response of the factors affecting the profitability of *pasalubong* shops in Sorsogon City.

Existing literature on local enterprise development and tourism-related businesses highlights the importance of operational efficiency, customer engagement, and strategic resource management in sustaining profitability. Literature addressing community-based enterprises often acknowledges the role of local culture, customer behavior, and interpersonal dynamics, yet few works provide an in-depth qualitative exploration of how operators themselves navigate operational challenges, adapt to shifting tourist patterns, or make decisions that influence business sustainability. Within the tourism domain, literature addressing micro-entrepreneurship tends to omit frontline workers, which is problematic, as they have pertinent insights that would help address the operational gaps. This gap underscores the need for research that captures rich, narrative accounts of how *pasalubong* shop operators and personnel manage their operations, respond to market pressures, and interpret profitability beyond numerical indicators. The present study addresses this gap by offering a qualitative inquiry into the operational routines, the systems in place, the challenges encountered, and the coping mechanisms employed, which have been especially tuned to the circumstances in the *pasalubong* shops in Sorsogon City.

➤ *Research Gap*

This study seeks to bridge this gap by specifically focusing on the *pasalubong* industry of Sorsogon City. Using a qualitative research design, to capture the experiences, perceptions, and challenges faced by *pasalubong* shop operators and personnel of *pasalubong* shops in Sorsogon City. By doing so, the study provides a more holistic view of the tourism ecosystem — one that acknowledges the crucial role of cultural products and local entrepreneurship in enhancing the tourist experience and driving inclusive economic growth.

In bridging this research gap, the study offers valuable insights for local government units, tourism planners, entrepreneurs, and other stakeholders. It highlights the need for greater recognition and support of *pasalubong* enterprises as vital contributors to tourism development. Furthermore, the findings can serve as a basis for crafting policies and programs that promote sustainable tourism practices, protect cultural heritage, and empower local communities through entrepreneurship.

Through this focused exploration of the *pasalubong* industry, the study adds a new dimension to existing tourism literature and contributes to a deeper understanding of how culturally-rooted economic activities can foster local tourism development in cities like Sorsogon.

➤ *Significance of the Study*

The researchers believe that this study will serve to shed light on how operational practices affect the profitability of *pasalubong* shops in Sorsogon City. As micro and small enterprises play a vital role in the local economy and tourism development, understanding the key factors that influence their success can benefit multiple sectors in both practical and academic ways.

• *Pasalubong Shop Operators and Personnel*

The findings will provide a reflective assessment of current operational practices and highlight common challenges, offering insights into effective strategies employed by peers. This can help them benchmark their operations, identify areas for improvement, and adopt best practices to enhance their profitability and sustainability.

- *Tourism and Economic Development Officers*

The results will serve as a valuable reference for local government units (LGUs), tourism offices, and business development centers. By understanding what helps pasalubong shops thrive, they can create more effective support programs, training modules, and policies that empower small business owners and promote sustainable tourism in Sorsogon City.

- *Community and Local Economy*

On a broader level, improving the performance of pasalubong shops contributes to job creation, cultural preservation, and a more vibrant local economy. As these shops often carry products made by local artisans and food producers, their success directly impacts multiple layers of the community.

- *Future Researchers*

The findings of the study will serve as a reference material and a guide for future researchers who wish to conduct the same qualitative study or any study related to business and tourism, especially those focusing on profitability and small enterprise development.

➤ *Scope and Delimitation*

This qualitative inquiry is primarily focused on exploring the operational practices and challenges related to sustaining profitability among pasalubong shop operators and personnel in Sorsogon City. This study is geographically focused on selected pasalubong shops operating within Sorsogon City. The study is strictly qualitative, relying on in-depth interviews rather than statistical analysis. A purposive sample of pasalubong shop operators (owners/managers) and key personnel who are directly involved in the day-to-day operations and decision-making processes of the shops. The study is confined to the period of data collection October-November, 2025 during the first semester of the A.Y. 2025-2026, and perceptions may evolve over time. The study will not delve into the financial statements or quantitative profitability metrics of the shops but rather focus on the qualitative aspects of their operations, challenges, and strategies as perceived and narrated by the participants. It will not cover other aspects of tourism or business resilience beyond profitability.

➤ *Objectives of the Study*

Moreover, this research study aims to examine how these operational elements influence the overall performance and profitability of pasalubong shops in Sorsogon City. This study will specifically aims to (1) Describe the key operational practices employed by pasalubong shop operators and personnel in Sorsogon City; (2) Identify the significant challenges encountered by pasalubong shop operators and personnel in sustaining profitability (3) Explore the strategies implemented by pasalubong shop operators and personnel to overcome challenges and sustain profitability (4) Determine the implications of these operational practices and challenges for the overall sustainability and growth of the pasalubong industry in Sorsogon City. These objectives are designed to identify the specific operational practices and challenges of pasalubong shop challenges and personnel in Sorsogon City.

➤ *Definition of Terms*

The following are the words and terms that are used which are relevant and related to the proposed study. To comprehend the study better, the following terms are theoretically and operationally defined.

- *Inventory Management*

This refers to the process of making sure that the right amount of goods, parts, and materials are available for sale (Cambridge Dictionary). In this study, it refers to the amount of goods that the souvenir shops sell.

- *Marketing and Promotions*

Marketing defines as a job that involves encouraging people to buy a product or service, while promotions defines as activities to advertise something (Cambridge Dictionary). In this study, it refers to the strategies that the business do in order to catch customers.

- *Operational Practices:*

This refers to the tool that helps to define the methods of producing goods or a service offered to the customer. In the study, it is refers to the routine methods, procedures, and systems employed by pasalubong shop operators and personnel in managing their day-to-day business activities, including but not limited to product sourcing, inventory, marketing, sales, and customer service.

- *Pasalubong*

Derived from the Tagalog words “pasa,” meaning “to pass,” and “salubong,” meaning “to welcome,” Pasalubong refers to the practice of bringing gifts or souvenirs to loved ones upon returning home from a trip or journey. It serves as a gesture of thoughtfulness, consideration, and affection towards family, friends, and even acquaintances (nipino.com). In this study, it refers to the souvenirs (gifts) or products from Sorsogon City which travelers purchase and bring to their family and friends.

• *Pasalubong Shop*

Retail store, typically found in tourist areas or transportation hubs in the Philippines, that sells items for the purpose of the Filipino tradition of *pasalubong* (nipino.com). As used in this study, it means the retail establishment primarily engaged in selling local delicacies, handicrafts, souvenirs, and other products that represent the culture and identity of Sorsogon City, typically purchased by visitors as gifts or mementos.

• *Pricing Strategy*

Pricing means the level at which prices are set by a company, while Strategy means a detailed plan for achieving success in situations such as war, politics, business, industry, or sports, or the skill of planning for such situations (Cambridge Dictionary). In this study, it refers to the strategy such as production costs, competitor pricing, and consumer willingness to pay to maximize revenues while ensuring competitiveness in the market.

• *Profitability*

The fact that something produces or is likely to produce a profit (Cambridge Dictionary). In this study, this refers to the ultimate goal for “pasalubong shops” in Sorsogon City and refers to the ability of these businesses to make a profit after accounting for all expenses.

• *Sales Performance*

The overall success of a company’s sales team (dealhub.io). In this study, it refers to the measures to how effective a “pasalubong shop” converts potential sales into actual sales. This includes evaluating metrics such as total sales revenue, average transaction value, and customer conversion rates.

CHAPTER TWO METHODOLOGY

The researchers adopted a descriptive-phenomenological design, conducted semi-structured interviews with purposively selected operators, and applied Braun & Clarke's six-phase thematic analysis to the transcribed narratives. Ethical clearance was obtained, participants gave informed consent, and recordings were securely stored.

➤ *Research Design*

This study will employ a qualitative descriptive-phenomenological research design. A qualitative approach is chosen to gain an in-depth understanding of the complex experiences, perceptions, and perspectives of *pasalubong* shop operators and personnel. It allows for the exploration of nuanced meanings and the discovery of unexpected themes that might not be captured by qualitative methods.

The descriptive component aims to accurately portray the current operational practices and challenges encountered by the participants. The phenomenological aspect, specifically descriptive phenomenology, focuses on understanding the "lived experience" of the participants regarding the phenomenon of sustaining profitability. It seeks to capture the essence of their experiences without imposing preconceived notions, allowing the themes to emerge directly from their narratives (Giorgi, 2012). This design is appropriate for answering the research questions that delve into "what" and "how" questions, seeking to uncover the subjective realities of the participants.

➤ *Sources of Data*

The sources of data in this study are aligned with the research objectives to ensure that relevant, credible, and sufficient information is obtained. Both primary and secondary sources will be utilized to answer the research questions. To address the first research objective determining the operational factors affecting the profitability of *pasalubong* shops, data will be collected through interviews with *pasalubong* shop owners gathering perceptions on management practices, marketing strategies, and daily business processes. For the second research objective, identifying the challenges encountered by *pasalubong* shop operators and personnel in sustaining business profitability -primary sources of data will come mainly from interview questionnaires to be given to owners or employees of *pasalubong* shops. This will be helpful in gathering data on the specific operational factors that affect profitability and challenges that stakeholders face in sustaining the profitability of the business. In line with the third research objective, understanding strategies implemented by the *pasalubong* shop. This is significant in order to fully comprehend how the business overcome day-to-day challenges and in sustaining profitability. A researcher-made structured interview guide, validated by experts in tourism and qualitative research will be used. This instrument will undergo a content validation process with the assistance of experts in tourism and qualitative research. A pilot test will refine the questionnaire before the actual data collection, ensuring a qualitative approach to address the research objectives.

➤ *Research Ethics*

The researchers have taken into consideration certain ethical guidelines necessary for the validity and accuracy of the research as it is a primary obligation to practice reasonable precautions to protect confidential information obtained from people or any medium. The participation of respondents in the research is voluntary, and the participants have the rights to withdraw from the study if they wish to do so. The researchers also provided sufficient information to allow participants to understand and reach a fully informed decision. Data privacy is both urgent and complex. With having an anonymity, secrecy, and avoidance of any possible harm – all the information was handled in utmost confidentiality under the RA 10173 or Data Privacy Act.

➤ *Research Instrument*

The primary data collection instrument used is a semi-structured interview guide mainly from *pasalubong* shop operators and personnel located in Sorsogon City only. This guide will contain a set of open-ended questions designed to facilitate a conversational yet focused discussion. It consists of five main sections, the demographic information of the *pasalubong* operators and personnel/ the business, operational practices, challenges encountered, strategies implemented, and the implications of these operational practices and challenges. The interview guide will be structured around the research questions. The questions will be phrased clearly and neutrally to avoid leading the participants and encourage genuine and reflective responses. A pilot interview will be conducted with one or two *pasalubong* shop personnel to refine the interview guide and ensure its clarity and effectiveness before commencing the main data collection.

➤ *Data Collection*

The following particular steps were undertaken by the researchers to carry out this study:

After the proposal defense, and upon receiving recommendations from the research panels and adviser, the researchers will address any identified areas for improvement. Once all necessary revisions are made and formal approval is granted, they will proceed with the data collection arrangements.

The researchers will prepare all essential permits and waivers for data collection. A formal letter will be sent to the department and to the management to ensure participation from owners of *pasalubong* businesses. In addition to this, the researchers will list down the *pasalubong* shops to be interviewed around the city. This initial step will help them identify the target respondents for their study. The researchers anticipate that not all will agree to participate in the interviews. To encourage the respondent's participation, the researchers will explain the importance of their study and provide guidance on how to respond to the survey questions.

After obtaining the responses, the researchers transcribed the data for analysis. After following the data analysis, the researchers will prepare the final presentation of their research paper and the researchers will prepare for the upcoming final defense.

➤ *Data Analysis*

The collected qualitative data from the transcribed interviews will be analyzed using Thematic Analysis guided by the six-phase process of Braun and Clarke (2006). This method is suitable for identifying, analyzing, and reporting patterns (themes) within the data. The researcher will repeatedly read the transcribed interviews to gain a deep understanding and immersion in the content. The researcher will systematically go through the data, identifying interesting features across the entire dataset and coding them. Codes are short labels representing the most basic segment of the raw data that can be assessed in a meaningful way. Codes will be grouped into potential themes, larger patterns of meaning that capture something important about the data in relation to the research questions. The potential themes will be reviewed in two levels: first, checking if the themes are supported by the coded extracts, and second, checking if the themes accurately reflect the entire dataset. This involves refining, combining, or splitting themes. The researcher will clearly define what each theme is about, what aspect of the data it captures, and why it is interesting. Each theme will be given a concise and informative name. The final step involves writing a detailed analytic narrative, contextualizing the findings, and using vivid, illustrative quotes from the participants to support the themes to directly address the research questions. To ensure the trustworthiness and rigor of this qualitative study, the accuracy and believability of the findings were strictly observed by spending sufficient time in the field with participants to build rapport and gain deeper insights. If possible, different participants (operators vs. personnel) could also offer different perspectives to cross-check allowing them to review their interview transcripts to confirm accuracy.

CHAPTER THREE

RESULTS

This section presents the thematic analysis of the interview data collected from *pasalubong* shop operators and personnel in Sorsogon City. The researchers interviewed six (6) key informants representing different *pasalubong* shops in Sorsogon City. Shop 1 has been operating for 20 years, followed by Shops 2 and 3, each with 10 years of operation. Shop 4 has been in business for 3 years, Shop 5 for 6 years, and Shop 6 has the longest history, operating for 45 years. Through a rigorous process of coding and theme development, several key themes emerged, addressing the research questions related to operational practices, challenges, and strategies for sustaining profitability. After analyzing the data, the researchers identified six (6) major themes that emerged from the experiences of key informants in sustaining the profitability of *pasalubong* shops in Sorsogon City. The six selected *pasalubong* shops were selected because of their long-standing experience and resilience in the industry, as these establishments have demonstrated sustained operations, adaptability to market changes, and familiarity with the challenges and practices. These long-standing businesses had the ability to provide in-depth, informed, and reliable information with regards to the study objectives.

Table 1 Demographic Profile of Respondents

CODE	ROLE	SHOP /YEARS OPERATING
S1	Owner	7 A's Pasalubong Shop / 20 Years
S2	Sales Personnel	Ricah's Big Bites Shop/10 Years
S3	Owner	Seph's Pasalubong Shop/ 10 Years
S4	Manager	Wenay's Pasalubong Shop/ 2 Years
S5	Sales Personnel	Bread & Brew Cafe OTOP Hub/ 6 Years
S6	Owner	Edgeline's Pili Pasalubong Shop/ 45 Years

➤ *Theme 1: Navigating Authenticity and Innovation*

The participants emphasized that profitability is not just about sales but about the meticulous selection of raw materials. They described a “hands-on” approach to sourcing that ensures freshness, which is critical for perishable *pasalubong* items like pili-based sweets and taro chips.

- *The Participants Stated that:*

“*Ang mga Pili nuts talaga na tigtitinda namon...kami mismo naghihimo, an iba hale mismo dine sa Sorsogon, may nagbabagsak din kagaya san basket na yun*” (S6, Owner)

[“The pili nuts that we sell...we make them ourselves, and others come directly from Sorsogon. There are also suppliers who deliver products, like those baskets.”]

“*Sa quality, kadalasan intero na yadi samon, sadiring gibo mi talaga. Bihira man kami magbenta san product san iba.*” (S4, Manager)

[“For quality, most of the products we sell are our own. We rarely sell other people's products.”]

This commitment ensures that every item reflects the province's local authenticity which builds good reputation and excellence that resonates mainly with customers. According to the study of Bessiere & Tibere (2013), food is not only a method to communicate the local values but also a medium to connect visiting tourists to a local distinctive way of life. This theme also encompasses the strategies utilized by *Pasalubong* shops to acquire and develop their product offerings. On the other hand, *Pasalubong* shops in Sorsogon City prioritize quality control measures, such as using fresh local ingredients, traditional cooking methods, and strict packaging standards, to maintain the excellence of their products and uphold the Sorsogonon brand reputation.

The statement highlights the *pasalubong* shops' commitment to innovation and quality, ensuring their products remain competitive and appealing to customers. Through adapting to changing consumer preferences, they can maintain their market share and continue to contribute to the local economy. According to Abad (2022), entrepreneurs who innovate and adapt to changing market trends are more likely to sustain their businesses and achieve long-term success. This emphasizes the importance of innovation in maintaining competitiveness and ensuring the continued relevance of traditional products in a rapidly changing market.

- *The Key Informants Shared:*

“*Nag-iisip kami ng products na papatok din sa masa at tatak Sorsogonon tulad ng bottled Laing namin na madalas din mabilis pampasalubong. Marami ang innovation ngayon. Kailangan mo din talagang pag-aralan. Noong nauso ang Matcha flavor nagkaroon din kaming ng Matcha flavored pili products*” (S3, Owner)

[“We are thinking of products that will also be popular with the masses and the Bicolandia brand, like our bottled Laing, which is also often bought as a gift. There are so many innovations these days that you really need to study them. When Matcha flavor became popular, we also had Matcha flavored pili products.”]

➤ *Theme 2: Customer-Centric Marketing and Customer Relations*

Enforcing effective marketing and customer relations are vital to the success of *pasalubong* shops as they rely on building strong relationships with customers and applying word-of-mouth technique to drive sales and growth.

• *As Shared by the Participant:*

“A satisfied customer is your best advertisement... importante ang pakikipagsalamuha sa customer nang mabuti. Nagbibigay din kami ng discounts at freebies.” (S3, Owner)

[“A satisfied customer is your best advertisement... it is important to interact with customers well. We also provide discounts and freebies.”]

This approach underscores the importance of building strong customer relationships and providing exceptional service to drive business growth and loyalty. According to Litfin (2020), word-of-mouth marketing is a powerful promotional tool, as satisfied customers are more likely to recommend a business to others, leading to increased brand awareness and customer acquisition. This strategy is particularly effective for small local businesses, as it is cost-effective and can lead to long-term success.

Participants underscores the importance of good interpersonal communication and pleasant interaction with customers. This demonstrates how customer relations management plays a crucial role in building trust, creating welcoming experiences, and strengthening emotional connection with the brand as it enhances the shop’s reputation and encourages customer loyalty.

“Good customer service tapos dati na talaga sinda nagbabalik dine.” (S4, Manager)

[“Good customer service and they’ve been coming back here for a long time.”]

This statement from the participants shows the impact of good customer service on customer loyalty, demonstrating that positive experiences drive repeat business. According to Gremler and Gwinner (2022), customer-employee rapport is a key driver of customer loyalty, as positive interactions lead to increased trust, satisfaction, and loyalty.

“Attitude towards them the customers syempre dapat welcoming ka unang-una hindi sayo babalik ang customer once na hindi mo sila naskaso ng maayos.” (S5, Sales Personnel)

[“Attitude towards them -the customers, of course, you must be welcoming, first of all the customer will not come back to you once you have not taken care of them properly.”]

It emphasizes the importance of a welcoming attitude in ensuring customers return, underscoring the need for shop owners to prioritize customer care. A study by Torres et al. (2021) found that customer orientation and employee empathy significantly influence customer satisfaction and loyalty, highlighting the critical role of customer relations in driving business success.

• *Another Participant Shared:*

“Malaking tulong talaga ang pagkakaroon ng social media presence dahil may mga nag-iinquire sa amin mula pa sa Cebu o sa iba pang lugar na nagpapadeliver. Tinatanggap namin ang kanilang mga orders at ipinapadala na lang namin sa pamamagitan ng LBC o anumang courier na gusto nila.” (S5, Sales Personnel)

[“Social media presence also really helps because we receive inquiries from places like Cebu having a social media presence really helps because we receive inquiries from Cebu and other areas where customers want deliveries. We accept their orders and have them shipped via LBC or any courier they prefer”]

The use of digital platforms has become essential for *pasalubong* shops in Sorsogon City, enabling them to expand their customer base and improve customer engagement. According to a study by Kaplan and Haenlein (2020), businesses that leverage social media platforms effectively can enhance customer engagement, increase brand awareness, and drive sales. By having a strong online presence, *pasalubong* shops can attract customers beyond their local area and provide convenient services that meet customer needs.

➤ *Theme 3: Supply and Demand Inconsistencies*

Pasalubong shop operators and personnel in Sorsogon City face significant challenges in maintaining a consistent supply of high-quality products, which is crucial to their business success.

“Diba Pili – may shell, minsan may nababakal kami ng mga bulok, minsan basa. Kasi ‘pag lain mo man regular na paradara, lain mo man talaga maiwasan yun. Lain mo masisiguro na ang madi-deliver sa imo puro mayad.” (S4, Manager)

[“You know, pili nuts have shells, sometimes we received rotten ones, sometimes wet ones. You can’t really avoid that if they are not your regular suppliers. You can’t be sure if what will be delivered to you are fresh and in good condition.]

This emphasizes the difficulties in sourcing high-quality products and the importance of establishing trust with reliable suppliers. According to a study by Lee and Lee (2021), supplier relationship management is critical to ensuring the quality and reliability of products, as it enables businesses to monitor and manage supplier performance, reducing the risk of receiving substandard goods.

One participant explained that the fluctuating price of pili is highly unstable and heavily influenced by supply and demand conditions.

“Ang Pili kasi, pabago-bago ang presyo. Depende talaga ito sa supply at demand. Kapag kaunti ang supply pero mataas ang demand, nag-aagawan ang mga buyers. Dahil dito, mas mataas ang willingness to pay ng mga mamimili, kaya tumataas din ang presyo.” (S3, Owner)

[“The price of pili nuts fluctuates depending on supply and demand. When the supply is low but the demand is high, buyers compete with one another. As a result, consumers show a higher willingness to pay, which leads to an increase in price.”]

This influence the pricing strategies and pricing demand dynamics on the price of pili nuts. The fluctuating price of pili nuts poses a significant challenge to pasalubong shop operators, affecting their pricing strategies and profit margins. As stated by the study of Krugman and Wells (2020), the law of supply and demand dictates that prices adjust to equilibrium, where the quantity demanded equals the quantity supplied. The participants experience illustrates this concept, as the price of pili nuts increases when demand exceeds supply, reflecting the higher willingness to pay among buyers.

➤ *Theme 4: Market Competition and Seasonality*

The seasonal shifts and competitive pressures force shops to adjust their marketing strategies, innovate their product offerings, and manage their financial resources carefully to remain sustainable despite unpredictable customer turnout. The participants emphasized that market competition and seasonality significantly influence the operations and profitability of pasalubong shops.

- *A Participant Pointed Out:*

“Ang challenge namin ay yung volume of customers talaga. Kasi usually talaga yung customers namin is pa-isa-isa, pa-konti konti lang talaga. So minsan lang talaga dumadagsa...like pag may mga tourists. Mga isang bus, mga van, ganyan. Ang volume ng customer. On day-to-day, like regular days, mostly konti lang. Paisa-isa lang...bihira lang.” (S5, Sales Personnel)

[“Our challenge is really the volume of customers. Because usually our customers are really one-by-one, just a little bit at a time. So it really only comes in once in a while...like when there are tourists. Buses, vans, like that. The volume of customers. On day-to-day, like regular days, mostly just a few. Just one by one...rarely.”]

This highlights the variability in customer traffic and its effects on sales. According to a study by Lee and Jang (2021), small businesses in tourism-dependent areas often face challenges related to seasonality, emphasizing the need for adaptive strategies to manage fluctuations in demand and maintain competitiveness.

- *Another Participant Stated:*

“Napakaraming pasalubong shops ngayon, mayroon pa ngang mga informal. Kailangan nating laging isipin kung ano ang nagpapaiba sa atin, kung panong kami ang piliin ng mga customers” (S2, Sales Personnel)

[“There are so many pasalubong shops now, even informal ones. We must always think about what sets us apart and how customers will choose us.”]

This highlights the need for shops to identify and emphasize their unique selling points. According to a study by Porter (2022), businesses can achieve competitive advantage through differentiation, focus, or cost leadership strategies, emphasizing the importance of identifying and leveraging unique strengths to stand out in a crowded market.

➤ *Theme 5: Financial and Capital Management Strategies*

Pasalubong shop operators in Sorsogon City employ various financial and capital management strategies to maintain profitability and competitiveness.

• *Participant Signifies This*

“Pagdiyot ang benta, dae na muna nabakal raw materials, kasi kung uruadlaw ka mabakal tapos maluya ang benta-lugi.”
[“When sales are low, you can’t buy materials, because if you buy every day and sales are weak, you’ll lose.”]

• *Another Participant Stated:*

“Hindi naman araw-araw may bumibili ng pampasalubong, ibig sabihin kailangan ng maayos na pamamalakad when it comes sa capital sa business.” (S3, Owner)

[“It’s not every day that someone buys *pasalubong*, which means that proper management is needed when it comes to capital in business.”]

These statements emphasize the importance of managing capital and inventory in response to fluctuating sales. According to a study by Lee and Kim (2020), small businesses can improve their financial sustainability by implementing effective inventory management and pricing strategies.

“Ang pricing namin depende sa bigay ng supplier talaga ang nag-aano kung ano ang price nila yun lang yung ima-markup namin ng konti kasi depende sa supplier yung pricing.” (S5, Sales Personnel)

[“Our pricing depends on what the supplier gives us. The supplier really decides what their price is. That’s all we mark up a little because the pricing depends on the supplier.”]

This indicates that *pasalubong* shop operators use a cost-based pricing strategy, adding a markup to the supplier’s price to ensure profitability. A study by Kotler and Armstrong (2022) notes that cost-based pricing is a common strategy among small businesses, as it ensures costs are covered and provides a reasonable profit margin.

• *Conversely, According to Another Participant Shared:*

“May inventory clerk tsaka may daily sales record kami na inpapasa.” (S4, Manager)

[“We actually have an inventory clerk and we submit daily sales record.]

“Ako sa part ko, daily. Halimbawa, ito, ipapakita ko sayo ito (log book). ‘Yan ang inventory namin. Actually, naka-fold na ‘yan, pero pag tinanggal mo, as in, napakahaba ‘yan. Daily (inventory) para magtugma sya sa sales na meron kami.” (S2, Sales Personnel)

[“For my part, I do it daily. For example, this—let me show you (the log book). This is our inventory—actually, it’s folded, but if you unfold it, it’s really very long. We do the inventory daily so it matches the sales we have.”]

This highlights the importance of systematic monitoring of inventory and sales to ensure smooth operations and financial accountability. According to a study by Chen et al. (2020), effective inventory management is critical to the success of small businesses, as it enables them to optimize stock levels, reduce waste, and improve profitability.

➤ *Theme 6: External Factors and their Impact*

External factors significantly impact the operations and profitability of *pasalubong* shops in Sorsogon City, often beyond the control of shop operators.

• *One Participant Shared:*

“Noong nag-pandemya, sarado talaga ang tindahan namin. Grabe ang nalugi namin – sobra pa sa 1 milyon peso. Mga sinako” (S6, Owner,)

[“During the pandemic, our shop was completely closed. We suffered huge losses—over 1 million pesos, especially on the products we had in stock”]

This signifies the severe impact of the COVID-19 pandemic on business continuity and financial stability. According to a study by the Asian Development Bank (2020), small businesses in the Philippines were severely affected by the pandemic, with many experiencing significant revenue losses and closures.

• *Another Participant Stated:*

“Kumpara sa mga nakaraang taon, mahina ang benta ngayon dahil madalas ngayong taon ang mga bagyo, at minsan pa ‘y lumilindol. Sa tingin ko, mas mababa ngayon ang porsyento ng mga turista dahil sa mga kalamidad.” (S2, Sales Personnel)

[“Compared to previous years, sales are weak this year because there have been frequent typhoons and even earthquakes. I think the percentage of tourists is lower this year due to these calamities.”]

This emphasizes the vulnerability of small businesses to environmental factors and the importance of disaster preparedness. A study by the Philippine Institute for Development Studies (2021) notes that climate-related disasters can have significant impacts on small businesses, highlighting the need for adaptive strategies and support.

- *Regarding LGU Support, the Participant Stated:*

“*Nakakatulong na pag tumutulong yung LGU, Sorsogon, sa pag-promote, mas nakakatulong siya. Mas wider reach siya sa promotions namin.*”(S5, Sales Personnel)

[“It helps when the LGU, Sorsogon, helps in promotion, it helps even more. It gives a wider reach in our promotions.”]

This highlights the important role of government-supported institutions in providing resources, technical guidance, and market access, which help strengthen business operations and enhance competitiveness in the local *pasalubong* industry.

CHAPTER FOUR DISCUSSION

This qualitative inquiry into the operational practices and challenges of *pasalubong* shop operators and personnel in Sorsogon City revealed several key findings related to their pursuit of sustained profitability. They maintain personalized service to build loyalty and adjust staffing levels according to tourist influx. The findings underscore that adaptive resilience and integrated resource management are essential for sustaining profitability in a tourism-driven market.

➤ *Operational Practices*

There is a strong emphasis on sourcing authentic, high-quality local products, often through direct relationships with suppliers. Shops actively engage in product diversification and innovation to meet evolving customer demands. According to Herath and Mahmood (2013), small and medium-sized businesses' (SMEs') performance has been regarded as one of the primary factors influencing the economies of both industrialized and emerging nations due to its numerous contributions. Efficient inventory management, particularly for perishable goods, is critical. Strategies for customer relationship management have been widely applied in servicing industries, to improve long-term client loyalty and satisfaction (Herman et al., 2020). Small business owners should make it their goal to give their customers the best service possible and to be available at all times to address any questions or issues that may arise. Word-of-mouth marketing and local reputation are highly valued. Personalized and welcoming customer service is a cornerstone. To increase their business longevity, owners require effective marketing methods. Marketing has the potential to increase public knowledge of the business, its products, and its clients (Sorenson et al., 2021).

There's a growing adoption of digital platforms (e.g., social media) to enhance visibility. Small business owners can lower their company's running expenses by using digital services. Small businesses encounter unique challenges and are typically constrained by insufficient resources, including time, money, information, and expertise, which make it difficult for them to use the newest technologies (Ritz et al., 2019).

Operators prioritize prudent cost management, employ value-based and competitive pricing strategies, and tend to reinvest a portion of their profits back into the business for growth and resilience. Operators invest in training their personnel, foster supportive work environments, and adapt staffing levels to seasonal fluctuations in tourist arrivals.

➤ *Pasalubong Shops Challenges*

Pasalubong shops in Sorsogon City face several operational challenges that significantly affect their profitability. Supply chain issues remain a major concern, particularly the inconsistent supply and variable quality of products sourced from local producers, as well as difficulties in maintaining product shelf life. Market dynamics also contribute to operational strain, as shops encounter intense competition from both formal and informal sellers, along with the seasonality of tourism demand, which results in fluctuating customer turnout and revenue. In addition, financial constraints such as limited access to external capital for business expansion and difficulties in managing cash flow during off-peak seasons further hinder business stability. These challenges are compounded by external shocks, including natural disasters, pandemics, and other unforeseen events, which can severely disrupt operations. Moreover, the heavy reliance of *pasalubong* shops on local government unit (LGU) tourism initiatives makes them particularly vulnerable to changes in tourism policies and activities.

➤ *Marketing and Operational Strategies*

Findings reveal that sustaining profitability among *pasalubong* shops is understood as a continuous and adaptive process, rather than a fixed financial state. Williams et al. (2020) state that in order to develop and maintain their organizations for long-term success and prosperity, firms must employ a variety of strategic management strategies due to the time and resource constraints faced by small business leaders. Operators emphasize the need for adaptive resilience, noting that profitability requires constant adjustment and resource balancing to navigate ongoing operational challenges, competitive pressures, and environmental uncertainties. Central to this process is an integrated strategy, where long-term financial sustainability depends on consistently providing quality and authentic products unique to the locality, maintaining excellent customer service, exercising sound financial management, and demonstrating the capacity to adjust business strategies in response to market fluctuations and external shocks. According to George et al. (2019), strategic planning can significantly improve an organization's efficacy. This is due to the fact that a well-designed plan can reduce the chance of failure and encourage financial growth. Thus, devoting time and resources to creating a strategic plan can eventually result in your small business's long-term success.

The role of human capital also emerges as a vital element in sustaining profitability. Shop operators recognize that the dedication, skills, and training of personnel significantly influence operational efficiency, customer satisfaction, and overall business reputation, thereby contributing directly to sales performance. Moreover, Howard et al. (2019) noted the leaders of small businesses often strive to be as involved with each aspect of business as possible, and they do this instead of hiring various people to work in each area. Furthermore, community linkages are seen as essential, as strong relationships with local producers and active engagement within the broader tourism ecosystem support reliable product sourcing, enhance market positioning, and reinforce business stability.

CHAPTER FIVE CONCLUSION AND RECOMMENDATION

The findings of the research indicate that the sustained profitability of *pasalubong* shops in Sorsogon is attributable to the cultivation of authentic product sourcing, the diversification of offerings, meticulous cost management, and a persistent commitment to innovation, which directly align with the objectives set forth in the study. It is advised that proprietors of these establishments integrate digital marketing strategies, institutionalize customer loyalty programs, and establish cooperatives to enhance their bargaining power within the supply chain. Additionally, local government entities ought to facilitate specialized training, financial support, and “Buy Local” initiatives to bolster the resilience of the sector. The study concludes that the enduring profitability of *pasalubong* shops in Sorsogon City is fundamentally anchored in their unwavering dedication to authenticity and quality, which is further augmented by unique VRIN resources, including distinctive product offerings and robust supplier relationships. Notwithstanding the array of interconnected challenges such as supply chain disruptions, market seasonality, financial limitations, and external shocks, these enterprises maintain their viability through comprehensive operational strategies and the entrepreneurial fortitude exhibited by both operators and staff. Their sustained success is additionally fortified by a synergistic relationship with the local tourism industry and the essential contributions of employees, whose training, well-being, and service excellence significantly enhance operational efficiency and customer satisfaction. The results underscore that the maintenance of profitability is contingent upon the effective utilization of local resource advantages while remaining adaptable to the evolving conditions inherent in a tourism-centric market.

Based on the findings and conclusions of this study, it is recommended that *pasalubong* shop operators strengthen their operational resilience by investing in digital literacy initiatives and e-commerce platforms to expand market reach and reduce vulnerability to seasonality, while also pursuing continuous product innovation and diversification to meet evolving consumer preferences without compromising local identity. Operators should formalize customer relationship management through loyalty programs and feedback systems, develop flexible business plans that anticipate market fluctuations, and explore collaborative initiatives such as cooperatives or joint marketing efforts to improve supply chain stability and bargaining power. In support of these efforts, Local Government Units and tourism organizations are encouraged to provide sustained training in digital marketing, facilitate access to wider markets and financial assistance, promote “Buy Local” campaigns and certify authentic Sorsogonian products, integrate *pasalubong* shops into official tourism itineraries, and strengthen linkages between shop owners and local producers to ensure consistent supply and fair pricing. Future researchers are advised to build on this study through qualitative analyses of financial performance, examinations of consumer perceptions and preferences, assessments of digitalization outcomes, comparative studies across other tourism areas, and detailed supply chain investigations, all of which can deepen the understanding of factors shaping the sustainability of *pasalubong* enterprises. Continuous financial management training and customer service enhancement should also be pursued to improve stability and competitiveness. Local Government Units and tourism stakeholders are encouraged to provide targeted MSME support programs, facilitate access to capital, promote local sourcing networks, improve tourism infrastructure, and establish disaster-preparedness mechanisms to reinforce business resilience. Future researchers may expand the qualitative scope, conduct comparative regional studies, focus on product-specific analyses, examine the long-term effects of digitalization, or explore consumer purchasing behavior to provide deeper insights that complement and build upon the findings of this study.

REFERENCES

- [1]. Amaro, S., Ferreira, B. M., & Henriques, C. (2020). Towards a deeper understanding of the purchase of souvenirs. *Tourism and Hospitality Research*, 20(2), 223–236. DOI: 10.1177/1467358419848139.
- [2]. Andias, A. B. (2022). An Evaluation of Local Government Units Assisted Pasalubong. *International Journal of Science and Research (IJSR)*. DOI: 10.21275/SR231011141358.
- [3]. Asbollah, A., Hassan, N., Yusoff, Y.M, Idris, H. (2017). Tourist Behaviour In Different Environments A Literature Review. *Journal of The Malaysian Institute Of Planners* 15(1), 279-288.
- [4]. Azmi, A., Buliah, A.L., Ramaiah, A.K., Ariffin, H.F, & Ngelambong, A. (2017). Tourist Shopping Styles and Preferences in Kuala Lumpur Malaysia. *Second International Conference on the Future of ASEAN* 1-12.
- [5]. Cinco, M. L., et al. (n.d.). Famous Delicacies of Selected Municipalities in the Province of Laguna: A Tourist Attraction for Culinary Tourism. *College of International Tourism and Hospitality Management*. Retrieved from: <https://ejournals.ph/article.php?id=19090>.
- [6]. Dawood, N., & Bahaa, R. (2019). The Role of souvenirs and handicrafts in Achieving tourists' satisfaction applied on Luxor city. *Research Journal of The Faculty of Tourism and Hotels ,Mansoura University*, 6(6), 65-106. DOI: 10.21608/mkaf.2019.107063.
- [7]. Department of Trade and Industry. (n.d.). Souvenirs Posts | Department of Trade and Industry Philippines. Department of Trade and Industry Philippines. Retrieved from: <https://www.dti.gov.ph/tag/souvenirs/>.
- [8]. Dola M. S., et al. (2024, May 7). The Role of Souvenirs in Enhancing Local Cultural Sustainability: A Systematic Literature Review. DOI: 10.3390/su16103893.
- [9]. Dumbrovská, V., & Fialová, D. (2019). The city of one hundred Souvenir Shops: authenticity of souvenirs in Prague. *Journal of Tourism and Cultural Change*, 18(2), 187–200. DOI: 10.1080/14766825.2019.1606228.
- [10]. Foroudi, P., et al. (2022). Consumer perceptions of sustainable development goals: Conceptualization, measurement and contingent effects. *British Journal of Management*, 34(3), 1157-1183. DOI: 10.1111/1467-8551.12637.
- [11]. Hales, R. And Birdthistle, N. (2023). The sustainable development goals Sdg#12 responsible consumption and production., 1-10. DOI: 10.1108/978-1-80455-840-920231001.
- [12]. Jain, T., et al. (2024). Culinary tourism and its Role in diversifying punjab tourism offerings. *International Journal of Scientific Research in Engineering and Management*, 08(11), 1-7. DOI: 10.55041/ijserm38502.
- [13]. Jover A. A., et al. (2017). The Ilonggo Entrepreneurs of Authentic Delicacies and their Contribution to Tourism Industry. *CEBU International Conference on Studies in Arts, Social Sciences and Humanities*. DOI: 10.17758/URUAE.UH0117433.
- [14]. Miley, T. L. (2024). Strategies Small Business Owners Use to Extend Organization Life Beyond 5 Years. *Walden University*. Retrieved from: Strategies Small Business Owners Use to Extend Organization Life.pdf <https://share.google/3k5FUwqqUixZW7C8t>.
- [15]. Moro, L., et al. (2022). Overcoming the challenges of sustainable family agriculture in southern brazil: contributions to the 2030 agenda. *Sustainability*, 14(14), 8680. DOI: 0.3390/su14148680.
- [16]. Muhamad, M., et al. (2021). Creative tourism in the era of new normality in the advancement of culture. *E-Journal of Tourism*, 125. DOI: 10.24922/eot.v8i1.71453.
- [17]. Pradhan, P., et al. (2017). A systematic Study of sustainable development goal (sdg) interactions. *Earth S Future*, 5(11), 1169-1179. DOI: 10.1002/2017ef000632.
- [18]. Rifai T., & Steiner A. (2018, May 1). Tourism and the Sustainable Development Goals – Journey to 2030. *United Nations Development Programme (UNDP)*. DOI: 10.18111/9789284419401.
- [19]. Tang, Z. (2017). Development strategies for cultural creative tourism of Heilongjiang province, china. *Destech Transactions on Economics Business And Management, (icem)*. DOI: 10.12783/dtem/icem2017/13198.
- [20]. Tourism Malaysia. (2017). *Malaysia Tourism Statistics in Brief*. *Tourism.gov.my*. Retrieved from: <http://www.tourism.gov.my/statistics>.