

# Exploring the Competitive Edge of The Service Restaurant Sector in Nueva Ecija Using the Porter's Five Forces

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**Abstract:** This research determines the competitive advantage of the service sector in Nueva Ecija through the application of Porter's Five Forces, employing descriptive correlational research. Data collection involved a researcher made survey questionnaire administered to 150 respondents, comprises of 50 managers, employees, and customers across three cities in Nueva Ecija.

The results show that majority of surveyed businesses have been operating for 11 to 16 years, typically family-owned, and employ 5 to 10 staff members. They primarily offer full-service dining experiences and exhibit a preference for adopting Point of Sale (POS) systems for their technological infrastructure.

Likewise, respondents highlight essential strategies for maintaining competitiveness, including fostering strong partnerships, understanding competitors' pricing tactics, and managing buyer power and supplier relationships effectively. They also emphasize the importance of countering substitution threats by offering locally sourced unique ingredients. There is a consensus on proactive measures to sustain competitiveness and overcome industry challenges.

Moreover, respondents' express confidence in the industry's resilience against new entrants, stressing the significance of continuous innovation, adapting to consumer preferences, and leveraging economies of scale and operational efficiencies. The analysis of demographic profiles unveils nuanced relationships between various factors and competitiveness, emphasizing the intricate dynamics shaping the sector's landscape.

Lastly, the researcher proposes actionable activities based on the study's findings, highlighting the importance of understanding these dynamics for businesses to formulate effective strategies and enhance competitive positions in Nueva Ecija's dynamic market.

**Keywords:** Buyer Power, Competitive Rivalry, Supplier Power, Threat of New Entry, Threat of Substitution

## I. Introduction

The modern business landscape, particularly in the service restaurant sector, increasingly values sustainability for its role in building reputation and gaining a competitive edge (Kohi, 2020). Despite the late recognition of sustainability's benefits by restaurants compared to its inception in 1987, there's a rising emphasis on sustainable practices due to customer demand for such products (Batat, 2020), customers are willing to pay more for sustainable offerings from fast-food restaurants (Bonadonna et al., 2019). However, the industry's competitive landscape is evolving, pitting fast-food against supermarkets, leading some to prioritize short-term profits over sustainability (Hutchinson, Singh, & Walker, 2012). This shortsightedness faces challenges from health concerns, environmental awareness, and changing consumer needs, impacting the survival of fast-food outlets (Duman et al., 2018; Ma et al., 2020; Mumbua, 2016; Thiemann & Roman-Alcalá, 2019). Therefore, the growth of food restaurants now relies on implementing sustainable strategies, shifting the focus from traditional growth indicators like assets and revenue to market expansion, resilience, profitability, and customer satisfaction (Allen-Barnes, 2020).

Nueva Ecija's service restaurant industry has recently flourished, benefitting from the region's agricultural richness and strategic location as a gateway to various provinces. These restaurants cater to diverse tastes, offering Filipino classics alongside international cuisines. They capitalize on locally sourced produce due to the region's agricultural abundance, fostering a farm-to-table ethos. To stay competitive, these restaurants have embraced technology and social media for marketing, reservations, and engaging with tech-savvy consumers. Their success lies in blending traditional culinary charm with modern technological advancements, making them integral to vibrant dining scene (Cobb, L.K.; Appel, L.J.; Franco, M.; Jones-Smith, J.; Nur, A.; Anderson, C.A 2015).

According to Guthrie, J.F.; Lin, B.H.; Frazao, E.(2016), examining how service restaurants in adapt to evolving consumer preferences and technological advancements is critical for their continual growth. Understanding the elements that define their competitive edge, such as innovative menus, exceptional service, pricing strategies, and unique dining experiences, is crucial in a competitive market. This study holds significance beyond academia; it offers practical insights to industry players, aiding in refining menus, enhancing service quality, and devising effective marketing strategies. By decoding successful strategies, this research aims to empower restaurants to not only survive but thrive in Nueva Ecija's dynamic culinary landscape.

In essence, this study's relevance extends beyond academic inquiry, aiming to equip restaurant owners and stakeholders with actionable insights to navigate the industry with innovation and competitive advantage.

## II. Methodology

This study employed descriptive correlational research to gather information about the current state of the phenomena and describe the existing variables or conditions in a particular situation. The research methods used included surveys to describe the status quo, correlation studies to examine the relationship between variables, and developmental studies to assess changes over time. The study was conducted in three cities in Nueva Ecija: San Jose City, Cabanatuan City, and Gapan City.

To select participants for the study, the researcher utilized purposive sampling. This involved choosing restaurant owners, managers, and customers in the province based on specific criteria that aligned with the research objectives. The researcher directly approached and selected respondents who met these criteria by using established business lists, professional networks, or directories. This approach ensured that the collected data closely aligned with the research objectives and that respondents had the necessary knowledge and experience relevant to the study.

## III. Results and Discussions

### Part 1. Profile of the respondents

<b>Years of operation</b>	<b>Frequency</b>	<b>Percent</b>
Less Than 5 years	9	17.60
'5-10	13	25.50
'11-16	15	29.40
'17-22	10	19.60
23 - above	3	5.90
<b>Total</b>	<b>50</b>	<b>100.00</b>
<b>Ownership</b>	<b>Frequency</b>	<b>Percent</b>
Family Owned	47	96.10
Corporation	3	3.90
<b>Total</b>	<b>50</b>	<b>100.00</b>
<b>No. of Employees</b>	<b>Frequency</b>	<b>Percent</b>
5 and below	5	9.80
5-10	22	43.10
11-15	15	29.40
16 and above	8	17.70
<b>Total</b>	<b>50</b>	<b>100.00</b>
<b>Types of Service</b>	<b>Frequency</b>	<b>Percent</b>
Fast-Casual	11	23.50
Full Service	39	76.50
<b>Total</b>	<b>50</b>	<b>100.00</b>
<b>Technology Adoption</b>	<b>Frequency</b>	<b>Percent</b>
POS system	46	92.10
Online ordering platforms	1	2.00
Reservation System	3	5.90
<b>Total</b>	<b>50</b>	<b>100.00</b>

The majority of respondents (29.40%) have been operating for 11-16 years, indicating moderate experience. Family-owned establishments make up (96.10%) of the industry, while corporations account for only (3.90%). Most establishments have 5-10 employees (43.10%), followed by 11-15 employees (29.40%). 76.50% operate as full-service restaurants, while (23.50%) are fast-

casual. (92.10%) have implemented Point of Sale (POS) systems, with only (2.00%) using online ordering platforms and 5.90% adopting reservation systems.

Part 2. Competitive Advantage of Service Restaurant Industry in Nueva Ecija. For manager, employee, and customer Competitive Advantage of Service Restaurant Industry in Nueva Ecija in terms of competitive rivalry

No.	Competitive Rivalry	Manager		Employee		Customer	
		M	V.D	M	V.D	M	V.D
1.	Consistently invests in staff training and development to ensure high levels of service quality, thereby enhancing our competitive advantage.	3.70	s.a	3.69	s.a	3.69	s.a
2.	Recognize that building and nurturing strong relationships with suppliers and partners is essential for sustaining our competitive position	<b>3.78</b>	<b>s.a</b>	<b>3.80</b>	<b>s.a</b>	<b>3.79</b>	<b>s.a</b>
3.	Closely monitors market trends and consumer preferences to adapt our offerings accordingly and stay competitive.	3.60	s.a	3.63	s.a	3.64	s.a
4.	Service offerings is crucial to stay ahead in the competitive landscape of Nueva Ecija's restaurant industry.	3.70	s.a	3.71	s.a	3.71	s.a
5.	Restaurant frequently assesses the pricing strategies of competitors to adjust our own pricing accordingly.	<b>3.48</b>	<b>s.a</b>	<b>3.49</b>	<b>s.a</b>	<b>3.48</b>	<b>s.a</b>
6.	Actively pursues a larger market share amidst tough competition.	3.58	s.a	3.61	s.a	3.62	s.a
7.	Constantly striving to differentiate themselves from competitors to gain a competitive edge	3.68	s.a	3.69	s.a	3.69	s.a
	A.W.M.	3.65	s.a	3.66	s.a	3.66	s.a

Among managers, the highest weighted mean (3.78) was obtained for the item stating the importance of building strong relationships with suppliers and partners. On the other hand, the lowest weighted mean (3.48) was recorded for the item related to assessing competitors' pricing strategies. Overall, managers strongly agreed (average weighted mean of 3.65) with the competitive advantage strategies in the service restaurant industry of Nueva Ecija.

For employees, the item emphasizing the significance of building relationships with suppliers and partners received the highest weighted mean (3.80), while the item regarding adjusting pricing based on competitors' strategies obtained the lowest weighted mean (3.49). Employees strongly agreed (average weighted mean of 3.66) with the competitive advantage strategies.

Similarly, customers also strongly agreed (average weighted mean of 3.66) with the importance of building relationships with suppliers and partners. The item concerning adjusting pricing based on competitors' strategies received a lower weighted mean. These findings suggest a positive perception and alignment on key strategies for competitiveness in the service restaurant sector in Nueva Ecija.

**Competitive Advantage of Service Restaurant Industry in Nueva Ecija in terms of Supplier Power**

No.	Supplier Power	Manager		Employee		Customer	
		M	V.D	M	V.D	M	V.D
1.	We understand that investing in technology and processes to streamline supply chain operations	3.76	s.a	3.78	s.a	3.77	s.a

	can mitigate risks associated with supplier power and enhance our competitiveness.						
2.	Our service restaurant closely monitors market trends and supplier performance to identify potential risks and opportunities for optimization.	<b>3.56</b>	<b>s.a</b>	<b>3.57</b>	<b>s.a</b>	<b>3.56</b>	<b>s.a</b>
3.	We acknowledge that maintaining a reputation for fair and prompt payment to suppliers enhances our credibility and strengthens our relationship with them.	3.74	s.a	3.73	s.a	3.73	s.a
4.	Our restaurant actively seek out new suppliers to diversify our sourcing options and reduce dependency on any single supplier.	3.58	s.a	3.59	s.a	3.58	s.a
5.	We recognize that our restaurant has the ability to negotiate favorable terms and pricing with suppliers, enhancing our profitability.	3.66	s.a	3.67	s.a	3.67	s.a
6.	Our service restaurant faces minimal risk of supplier dominance, as there are multiple suppliers competing for our business.	3.58	s.a	3.59	s.a	3.58	s.a
7.	Our restaurant has established long-term relationships with key suppliers, thereby reducing the risk of supply disruptions.	<b>3.78</b>	<b>s.a</b>	<b>3.80</b>	<b>s.a</b>	<b>3.79</b>	<b>s.a</b>
A.W.M.		3.67	s.a	<b>3.68</b>	s.a	<b>3.67</b>	s.a

The Competitive Advantage of the Service Restaurant Industry in Nueva Ecija regarding supplier power was assessed for managers, employees, and customers.

Managers strongly agreed (3.79) with the establishment of long-term relationships with key suppliers to mitigate supply disruptions. They also agreed (3.57) with closely monitoring market trends and supplier performance for optimization opportunities. Overall, managers showed a strong agreement (average weighted mean of 3.67) regarding the strategic importance of supplier relationships.

Employees strongly agreed (3.80) with the establishment of long-term relationships with key suppliers to reduce supply disruptions. They also agreed (3.57) with monitoring market trends and supplier performance. The overall weighted mean for employees was 3.68, indicating a strong agreement.

Customers also strongly agreed (3.79) with the establishment of long-term relationships with key suppliers to reduce supply disruptions. They agreed (3.56) with monitoring market trends and supplier performance. The overall weighted mean for customers was 3.67, indicating a strong agreement.

These findings highlight the recognition of the importance of supplier relationships for competitive advantage in the service restaurant industry in Nueva Ecija (Airman, J. B. 2019, July 29).

**Competitive Advantage of Service Restaurant Industry in Nueva Ecija in terms of Buyer Power**

No.	Buyer Power	Manager		Employee		Customer	
		M	V.D	M	V.D	M	V.D
1.	Faces moderate buyer power, as customers have various dining options available to them.	3.62	s.a	3.65	s.a	3.67	s.a
2.	Regularly assess customer feedback and preferences to tailor Our offerings and improve customer satisfaction.	3.60	s.a	3.61	s.a	3.60	s.a
3.	Offers competitive pricing and promotions to attract and retain customers in a market with moderate buyer power.	<b>3.48</b>	<b>s.a</b>	<b>3.51</b>	<b>s.a</b>	<b>3.52</b>	<b>s.a</b>

4.	Recognize that providing exceptional customer service and personalized experiences can mitigate the impact of buyer power and foster customer loyalty.	3.62	s.a	3.63	s.a	3.63	s.a
5.	Continuously innovate and update our menu offerings to meet the evolving preferences and demands of customers.	3.58	s.a	3.57	s.a	3.56	s.a
6.	Acknowledge that maintaining a strong brand reputation and positive online presence is essential for influencing buyer decisions and reducing their bargaining power.	3.56	s.a	3.57	s.a	3.56	s.a
7.	Understand that fostering a culture of responsiveness and flexibility in addressing customer needs can strengthen our position and mitigate the impact of buyer power.	<b>3.72</b>	<b>s.a</b>	<b>3.73</b>	<b>s.a</b>	<b>3.75</b>	<b>s.a</b>
8.	Actively engages with customers through loyalty programs, special events, and social media to enhance their perceived value and loyalty.	3.66	s.a	3.67	s.a	3.67	s.a
A.W.M.		3.61	s.a	3.62	s.a	3.62	s.a

The Competitive Advantage of the Service Restaurant Industry in Nueva Ecija was assessed in terms of buyer power for managers, employees, and customers.

Managers strongly agreed (3.72) with the importance of fostering a culture of responsiveness and flexibility to address customer needs. They also agreed (3.48) with offering competitive pricing and promotions in a market with moderate buyer power. The overall average weighted mean was 3.61, indicating a strong agreement among managers.

Employees strongly agreed (3.73) with the understanding that a customer-centric approach strengthens their position and mitigates the impact of buyer power. They also agreed (3.51) with offering competitive pricing and promotions. The overall weighted mean for employees was 3.62, indicating a strong agreement.

Customers strongly agreed (3.75) with the understanding that a customer-centric approach strengthens the restaurant's position and mitigates the impact of buyer power. They also agreed (3.52) with the importance of competitive pricing and promotions. The overall weighted mean for customers was 3.62, indicating a strong agreement.

These findings highlight the importance of fostering a customer-centric culture in the service restaurant industry in Nueva Ecija to manage buyer power. Restaurants that prioritize responsiveness and flexibility in meeting customer needs are likely to gain a significant advantage in the competitive market (Gorry, T. 2014).

#### **Competitive Advantage of Service Restaurant Industry in Nueva Ecija in terms of Threat of Substitution**

No.	Threat of Substitution	Manager		Employee		Customer	
		M	V.D	M	V.D	M	V.D
1.	Our restaurant faces a low threat of substitutes, as dining out remains a preferred option for many consumers.	<b>3.36</b>	<b>s.a</b>	<b>3.37</b>	<b>s.a</b>	<b>3.37</b>	<b>s.a</b>
2.	Our restaurant offers unique dining experiences and specialized cuisines that are not easily substitutable by alternative food options.	3.64	s.a	3.63	s.a	3.63	s.a
3.	Our restaurant sector actively monitors emerging food trends and consumer preferences to stay ahead of potential substitute offerings.	3.50	s.a	3.51	s.a	3.50	s.a

4.	We recognize that providing exceptional customer service and ambiance enhances the perceived value of dining out, reducing the likelihood of customers seeking substitutes.	3.70	s.a	3.71	s.a	3.71	s.a
5.	Our restaurant differentiates themselves through signature dishes, culinary expertise, and cultural experiences, mitigating the threat of substitutes.	3.58	s.a	3.59	s.a	3.60	s.a
6.	We understand that offering convenience through delivery and takeaway services can help deter customers from seeking substitute dining options.	3.70	s.a	3.69	s.a	3.69	s.a
7.	Our restaurant actively collaborates with local suppliers and producers to offer fresh and unique ingredients, minimizing the attractiveness of substitute options.	<b>3.72</b>	<b>s.a</b>	<b>3.73</b>	<b>s.a</b>	<b>3.73</b>	<b>s.a</b>
A.W.M		3.60	s.a	3.61	s.a	3.60	s.a

The Competitive Advantage of the Service Restaurant Industry in Nueva Ecija was evaluated in terms of the threat of substitution for managers, employees, and customers.

Among managers, active collaboration with local suppliers to offer fresh and unique ingredients received the highest weighted mean (3.72), indicating a strong agreement. The perception of facing a low threat of substitutes due to the preference for dining out among consumers received the lowest weighted mean (3.36), still categorized as "strongly agree." The overall average weighted mean was 3.60, indicating a prevailing consensus among managers regarding strategies to address the threat of substitution.

For employees, active collaboration with local suppliers to minimize the attractiveness of substitute options received the highest weighted mean (3.73), reflecting a strong agreement. The perception of facing a low threat of substitutes due to the preference for dining out among consumers received the lowest weighted mean (3.37). The overall weighted mean for employees regarding the threat of substitution was 3.61, indicating a strong agreement.

Similarly, customers strongly agreed (3.73) with the active collaboration with local suppliers to minimize the attractiveness of substitute options. They also agreed (3.37) with the perception of facing a low threat of substitutes due to the preference for dining out. The overall weighted mean for customers regarding the threat of substitution was 3.60, indicating a strong agreement.

These findings highlight the recognition of the importance of offering unique and fresh ingredients sourced locally to minimize the appeal of substitute options. Additionally, the perception that dining out remains a preferred choice for consumers contributes to mitigating the threat of substitutes. Overall, the service restaurant industry in Nueva Ecija effectively addresses the threat of substitution, securing a strong position in the market (Hall, C. M. 2011; Hisrich, R. D., Langan-Fox, J., & Grant, S.).2007).

#### **Competitive Advantage of Service Restaurant Industry in Nueva Ecija in terms of Threat of New Entry**

	Threat of New Entry	Manager		Employee		Customer	
		M	V.D	M	V.D	M	V.D
1	Faces a moderate threat of new entry, as barriers to entry such as capital requirements and regulatory hurdles exist.	3.50	s.a	3.51	s.a	3.50	s.a
2	Have established brand recognition and loyal customer bases, making it challenging for new entrants to gain market share.	3.74	s.a	3.75	s.a	3.75	s.a
3.	Actively monitors market trends and competitor activity to anticipate potential new entrants and respond proactively.	3.60	s.a	3.59	s.a	3.58	s.a
4.	Benefit from economies of scale and operational efficiencies that new entrants may struggle to achieve initially.	3.42	s.a	3.43	s.a	3.44	s.a
5.	Understand that fostering strong relationships with suppliers, partners, and local communities can create entry	3.60	s.a	3.61	s.a	3.60	s.a

	barriers for new competitors seeking resources and support.						
6.	Leverages strategic location and prime real estate to deter potential new entrants and maintain competitive advantage.	3.72	s.a	3.73	s.a	3.75	s.a
7.	Acknowledge that continuous innovation and adaptation to changing consumer preferences are essential to staying ahead of potential new entrants and retaining market leadership.	3.80	s.a	3.78	s.a	3.80	s.a
A.W.M.		3.63	s.a	3.63	s.a	3.63	s.a

The Competitive Advantage of the Service Restaurant Industry in Nueva Ecija was evaluated in terms of the threat of new entry for managers, employees, and customers.

Among managers, the acknowledgment of continuous innovation and adaptation to changing consumer preferences received the highest weighted mean (3.72), indicating a strong agreement. The perception of facing a low threat of substitutes due to the preference for dining out among consumers received the lowest weighted mean (3.36), also categorized as "strongly agree." The overall average weighted mean was 3.60, implying a strong consensus among managers regarding the competitive advantage of the industry in terms of the threat of new entry.

For employees, the active collaboration with local suppliers to minimize the attractiveness of substitute options received the highest weighted mean (3.73), reflecting a strong agreement. The perception of facing a low threat of substitutes due to the preference for dining out among consumers received the lowest weighted mean (3.37). The overall weighted mean for employees regarding the threat of new entry was 3.61, indicating a strong agreement.

Similarly, customers strongly agreed (3.73) with the active collaboration with local suppliers to minimize the attractiveness of substitute options. They also agreed (3.37) with the perception of facing a low threat of substitutes due to the preference for dining out. The overall weighted mean for customers regarding the threat of new entry was 3.60, indicating a strong agreement.

These findings highlight the importance of continuous innovation and adaptation to changing consumer preferences for staying ahead of potential new entrants and maintaining market leadership. The active collaboration with local suppliers and the low threat of substitutes contribute to the competitive position of service restaurants in Nueva Ecija regarding new entry threats. This recognition from both employees and customers further strengthens the industry's competitive advantage (Kuratko, D. F. 2015).

**Part 3. Significant relationship between the demographic profile of the respondents and the competitive edge of service sector in Nueva Ecija.**

		<b>Correlations</b>				
		Competitive Rivalry	supplier Power	Buyer Power	threat of substitution	Threat of new Entry
Years_of_operation	Pearson Correlation	.334*	.462**	0.192	0.160	0.205
	Sig. (2-tailed)	0.018	0.001	0.182	0.266	0.153
	N	50	50	50	50	50
Ownership	Pearson Correlation	0.142	0.234	-0.041	0.115	-0.221
	Sig. (2-tailed)	0.325	0.101	0.779	0.428	0.123
	N	50	50	50	50	50
No_of_Employees	Pearson Correlation	.409**	0.175	0.121	0.159	0.060
	Sig. (2-tailed)	0.003	0.225	0.402	0.271	0.678
	N	50	50	50	50	50
Types_of_Service	Pearson Correlation	.315*	0.046	.302*	0.005	0.200
	Sig. (2-tailed)	0.026	0.751	0.033	0.974	0.164
	N	50	50	50	50	50
Technology_Adoption	Pearson Correlation	-.612**	-.521**	-.594**	-.533**	-0.259
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.069
	N	50	50	50	50	50

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

The analysis reveals that the length of time a restaurant has been in operation does not have a statistically significant correlation with buyer power, threat of substitution, and threat of new entry. Similarly, there is no significant relationship found between ownership type and competitive rivalry, supplier power, buyer power, threat of substitution, and threat of new entry within the service sector of Nueva Ecija. The number of employees within service sector establishments also does not exhibit a substantial influence on supplier power, buyer power, threat of substitution, or threat of new entry. However, there is a significant correlation between the number of employees and competitive rivalry, indicating its impact on competitive dynamics within the industry.

Regarding types of service, while there are no significant correlations with supplier power, threat of substitution, and threat of new entry, certain types of service offerings do have a meaningful relationship with competitive rivalry and buyer power. Technology adoption plays a significant role in influencing competitive rivalry, supplier power, buyer power, and threat of substitution within the sector.

However, it does not have a significant impact on the threat of new entry. These findings underscore the importance of incorporating technology into business strategies and adapting to market trends to enhance competitiveness. Overall, businesses in the service sector of Nueva Ecija should continuously evaluate and leverage technological advancements, consider the types of services offered, and adapt to changing market conditions to maintain or strengthen their competitive positions.

#### **Part 4. Plan of activities to improve service restaurant industry**

To optimize competitiveness and maintain a strong position in the market, the service restaurant industry in Nueva Ecija should focus on several key strategies. Regular evaluation of competitors' pricing strategies is essential, involving activities such as market research, comparing pricing with competitors, and adjusting pricing based on customer feedback and perceived value. This responsibility falls on the marketing team and finance department, with quarterly assessments and adjustments leading to improved competitiveness and an optimized pricing strategy.

Closely monitoring market trends and supplier performance is another crucial activity. This involves establishing partnerships with reliable suppliers, reviewing market trends, evaluating supplier performance, and exploring cost-saving initiatives. The procurement team and operations manager are responsible for these tasks, with monthly supplier performance reviews and quarterly market trend analysis. This strategy enhances operational efficiency, improves product quality, and allows businesses to capitalize on emerging market opportunities.

Providing competitive pricing and promotions is vital for attracting and retaining customers. This includes developing targeted promotional campaigns, offering special discounts and loyalty programs, conducting customer surveys, and monitoring competitor pricing. The marketing team and sales team are involved in these activities, which are ongoing with periodic reviews. The outcome is increased customer loyalty, higher retention rates, and improved competitiveness in the market.

The service restaurant industry in Nueva Ecija encounters minimal substitute threats due to the continued preference for dining out among consumers. To leverage this advantage, businesses should focus on continuous menu innovation, emphasizing unique dining experiences and ambiance, and highlighting the quality and freshness of ingredients used. Investing in marketing campaigns that promote the benefits of dining out versus substitute options is also crucial. The culinary team and marketing team play a role in implementing these strategies, resulting in increased customer preference for dining out and reduced susceptibility to substitute threats.

Leveraging economies of scale and operational efficiencies is another important strategy to counter the threat of new entry. Streamlining operational processes, investing in technology solutions, negotiating favorable terms with suppliers, and developing strategic partnerships are key activities. The operations manager and finance department are responsible for these initiatives, which lead to lower operational costs, improved profitability, and a competitive advantage over new entrants.

#### **IV. Conclusion**

The predominant group among survey participants operates within the range of 11 to 16 years, with a family-owned structure and a workforce comprising 5 to 10 employees. These businesses predominantly fall into the category of full-service enterprises. Furthermore, their technological infrastructure leans towards the adoption of Point of Sale (POS) systems.

Respondents in Nueva Ecija's service restaurant industry overwhelmingly agree on key strategies for maintaining competitiveness. They emphasize the vital role of strong partnerships, understanding competitors' pricing strategies, and managing buyer power through responsiveness and adaptability. Moreover, there's a shared recognition of the significance of supplier relationships, particularly in ensuring a stable supply chain and minimizing operational risks. Additionally, strategies to counter substitution threats, such as offering locally sourced unique ingredients, are deemed essential for reducing substitute attractiveness. Overall, this strong consensus reflects a proactive approach to sustaining competitiveness and navigating potential challenges in the industry.

The analysis of various demographic profiles in relation to the competitive advantage of Nueva Ecija's service sector provides valuable insights. While the duration of restaurant operation doesn't significantly impact buyer power, threat of substitution, or threat of new entry, it does show notable correlations with competitive rivalry and supplier power. Ownership structure, number of employees, types of service, and technology adoption also demonstrate interesting relationships with different aspects of competitiveness. These findings underscore the complex interplay of various factors in shaping the competitive landscape of the

service sector. Understanding these dynamics is crucial for businesses to formulate effective strategies and maintain or enhance their competitive positions in Nueva Ecija's dynamic market.

The researcher has developed a proposed plan of activities derived from the findings of the study.

## V. Recommendation

To maintain and enhance restaurant edge, owners may focus on key initiatives derived from the outlined activities and strategies.

1. Conduct Regular Market Research: Understand competitors' pricing strategies, monitor market trends, and evaluate supplier performance to inform decision-making.
2. Cultivate Strong Partnerships with Suppliers: Ensure consistent quality and reliability of ingredients, explore cost-saving opportunities through bulk purchasing, and negotiate favorable supplier terms.
3. Adopt a Customer-Centric Approach: Tailor promotional campaigns and pricing strategies to different customer segments, actively seek feedback to adjust offerings, and enhance customer satisfaction and loyalty.
4. Differentiate from Substitute Options: Offer innovative menu offerings, emphasize unique dining experiences, and highlight the quality of ingredients.
5. Optimize Operational Efficiency: Streamline processes, invest in technology, and form strategic partnerships to leverage economies of scale, enhance cost competitiveness, and profitability.

Through these concerted efforts, restaurants can effectively navigate competitive challenges and sustain their competitive advantage in Nueva Ecija's service sector.

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