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ABSTRACT

This study investigated the cost and return analysis on the operations of roasted chicken business in selected towns in Northern Samar. The analysis focused on the costs and returns, which were assessed using the return on investment (ROI) metric. The findings indicated that the ROI for the participants varied, with the highest being 9.23% and the lowest being 3.12%. The connection between current assets and liabilities is referred to as the working capital of a business entity. It is important to note that investments in certain concepts may require a period of time before yielding returns (Business Alert, 2014). Moreover, the outcomes derived from conducting a simple linear regression analysis on the dataset demonstrated a statistically significant association between capital and net profit. The higher capital, the higher the profit. The researcher's recommendation suggests that owners of roasted chicken businesses should implement strategies to ensure a sustainable cost and return on investment. By carefully managing the balance between costs and revenue, aiming for the optimal combination, a firm can attain profitability, which denotes its capacity to generate profit (Villegas, 2008). Customers and clients should exercise caution when selecting and purchasing roasted chicken from accredited businesses to prioritize their safety. Government regulatory authorities should consistently oversee roasted chicken businesses in towns to ensure compliance with standard policies and guidelines. Adequate capital is crucial for future investors planning to start a business. Conducting studies involving respondents from other towns can provide additional insights into assessing the cost and return of investment in operating roasted chicken businesses.

Keywords: return on investment, operation, cost and return, profit

I. INTRODUCTION

Roasted chicken or popularly known as lechon manok, has consistently remained one of the most popular delicacies in the Philippines, maintaining its esteemed status to this day. It is recognized as a legitimate and enduring business venture. The key to success in this business, like any other, lies in selecting an appropriate location, which can be considered a valuable asset for business growth (Business Alert, 2014).

Roasted chicken businesses have experienced a significant boom in Northern Samar, specifically in marketplaces, along highways, and in car line areas. This trend clearly indicates the strong preference of Northerners for this delectable dish. As reflected in the research of Choachuy (2009), nine out of ten Filipinos love roasted chicken due to its simplicity in cooking yet delicious taste. Beyond its culinary appeal, roasted chicken also reflects the creativity of the locals in terms of culinary expertise, while simultaneously representing the rich Philippine culture from the Spanish era to the present generation. The dish has evolved over time with unique ingredient combinations and innovative presentations.

The poultry industry serves as a rapid and cost-effective solution to address the scarcity of animal protein. Within this industry, the lechon manok sector emerges as a compelling and appealing business opportunity to explore (Adesina and Djato, 2005).

The rising demand for roasted chicken in Northern Samar has led to an increase in the number of businesses operating in this industry. Consequently, these observations have motivated the researchers to undertake this study. The aim is to assist roasted chicken owners and operators in understanding the cost and return of investment in their business operations, identifying potential obstacles to progress, and providing guidance for enhancing their chances of success. Furthermore, this study aims to gather valuable information that can benefit students and researchers interested in this field.

II. METHODOLOGY

The study was conducted in specific towns of Northern Samar, namely Catarman, Bobon, Pambujan, and San Roque. The research approach used for this study was descriptive. The participants in the study were the owner-

operators of selected roasted chicken businesses within these towns. The business profile was examined and interpreted using frequency counts and percentages to summarize the categorical data. These measures were utilized to present a concise overview of the data and enhance comprehension of the findings. To evaluate the cost and return on investment of the roasted chicken business, the return on investment (ROI) formula was employed (Anthody and Reece, 1995).

ROI = Net Income/ Cost of production

III. DISCUSSION

Table 1 illustrates the respondents' return on investment (ROI). Among the participants, Remax from Catarman achieved the highest ROI at 9.23%, while Lucily from Brgy. Dalakit, Catarman recorded the lowest ROI at 3.90%. The findings indicate that the business location can be a significant factor influencing the ROI. Notably, Mandaue Sam Ashley and Samson Ashley Roasted Chicken, situated in the central area of Catarman, attracted a majority of customers seeking roasted chicken for their meals and special occasions. This aligns with the concept highlighted in Business Alert (2014), emphasizing that selecting a suitable location is often viewed as a lucrative opportunity for many businesses. Choachuy emphasized the strategic importance of location, stressing that it is a factor that should never be overlooked.

Franz roasted chicken, located at UEP, Catarman, Northern Samar, holds the fourth position in rankings. In comparison to Mandaue Sam Ashley, also from UEP, Franz has achieved the highest return on investment (ROI). One possible factor contributing to this success could be the duration of operation, as Franz has been serving customers for 6 to 10 years. Additionally, Franz has managed to cultivate a larger base of loyal customers compared to Mandaue Sam Ashley, which only recently started operating a few months ago.

Moving on to Marcel roasted chicken in Bobon, Northern Samar, the frequency of buyers and the business's location played significant roles in its 4.90% ROI. Since Marcel's roasted chicken is the only one available in town, customers have no alternative but to buy from their stall, which leads to consistent sales and profitability.

Lydia's and Ken's roasted chicken, located in San Roque, had the same initial investment, but their net income and ROI differed. The discrepancy can be attributed to the frequency of buyers, which was influenced by the selling price. Lydia's roasted chicken was priced at only Php 180, while Ken's was priced at Php 200. Consumers opted for the more affordable option to save money. According to Choachuy Jr., the location is a crucial factor that should not be overlooked. If the target market has a higher standard of living, consumers may not mind paying a higher price as long as the food tastes good. Additionally, if the location is easily accessible and affordable, a food store has the potential to become a successful retailer at all times.

Lastly, Ken's roasted chicken in both Pambujan and San Roque operated with the same capital, resulting in similar net income and ROI. However, despite being the sole roasted chicken store in Pambujan, the ROI was not as promising as expected. This suggests that the taste and food preferences of the locals in Pambujan are not primarily focused on roasted chicken, indicating that other food options might be more popular among the residents.

TABLE 1: Return on Investment

Municipalities	Respondents	Capital PhP	Net Income PhP	ROI %
Catarman	Remax	124,500.00	11,500.00	9.23
	Mandaue Sam Ashley	124,500.00	11,100.00	8.91
	Sam Ashley	79,500.00	6,100.00	7.67
	Franz (UEP)	79,500.00	5,200.00	6.54
	Mang Juan	175,000.00	7,750.00	4.42
	Mandaue Sam Ashley (UEP)	124,500.00	5,200.00	4.17
	Lucily	79,500.00	3,100.00	3.90
Bobon	Marcela	124,500.00	6,100.00	4.90
San Roque	Lydia	124,500.00	5,650.00	4.54
	Ken	124,500.00	4,000.00	3.21
Pambujan	Ken	124,500.00	4,000.00	3.21

According to this study on roasted chicken businesses, findings reveal interesting trends in the daily purchase, sales, and expenses of chicken. Out of the 11 respondents surveyed, it was discovered that 45.45% of the

businesses purchased 3 to 4 crates of chickens on a daily basis, while 27.27% purchased 1 to 3 crates, and another 27.27% purchased 5 to 6 crates. These figures shed light on the quantity of chicken required by these businesses to meet their daily demand.

When it comes to daily sales, the study found that 45.45% of the roasted chicken businesses sold 21 to 40 roasted chickens per day. Additionally, 27.27% sold 1 to 20 roasted chickens, while the remaining 27.27% managed to sell 41 or more roasted chickens daily. These sales figures indicate promising prospects for the roasted chicken industry, with a substantial portion of businesses generating a significant number of sales each day.

Examining the daily expenses of the roasted chicken businesses, the study revealed that 90.91% of them incurred expenses of 2,000 pesos or less on a daily basis. Only a single business, representing 9.09% of the sample, reported daily expenses amounting to 5,000 pesos or more. These findings suggest that, based on the average daily expenses of 2,000 pesos, if the daily sales of roasted chicken reach approximately 6,400 pesos, businesses would achieve a net income of 4,400 pesos.

Overall, this study provides valuable insights into the daily operations of roasted chicken businesses. It highlights the quantity of chicken being purchased, the level of daily sales, and the corresponding expenses incurred. These findings can assist business owners in understanding industry trends and making informed decisions to optimize their profitability and success.

CONCLUSION AND RECOMMENDATIONS

Sufficient capital is essential for prospective investors looking to venture into the roasted chicken business, as it plays a crucial role in establishing and maintaining stability in the business's status. It is recommended that the roasted chicken owners/operators of roasted chicken businesses take into account market factors that impact their operations. They should devise strategies to adapt to these factors, aiming to enhance cost management, maximize return on investment, and ultimately improve the business's profitability and sustainability. It is recommended that the government regulatory authorities should maintain consistent supervision of various roasted chicken businesses in town. This ensures that all owners/operators adhere to the standardized policy guidelines applicable to the industry. Another study/research involving respondents from different towns should be conducted. This expanded study would provide further insights into the subject matter.

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