

Economic Impact of Lambanog Wine Processing Industry to the Tourism of Batangas City, Philippines

**Rose Ann C. Banaag, Vanessa Tricia T. De Castro, Jasmin M. Miranda,
Micah A. Mortel, Joline Margarette A. Quadrante, Jeninah Christia B. Pulhin**

College of International Tourism and Hospitality Management
Lyceum of the Philippines University, Batangas City, Philippines

ABSTRACT

For local provinces like Batangas, there is a specific wine which is popular nationwide commonly referred to as Lambanog. This tends to capture the interest of the tourists. That is why Lambanog is considered as one of the signature products of Batangas. Lambanog contributes to the industry of Batangas. It is also one of the main reasons why there are lots of tourists who visit the province. Study showed how Lambanog affects the tourism industry in Batangas. The study gave ideas and knowledge regarding the factors which affect the lambanog industry in the province. The researchers used descriptive research design. The respondents of the study were the Government officials, employees and Department of Tourism in the Municipality of San Juan, Batangas, Philippines. Majority of the respondents are male and came from government officials. Lambanog wine has a big impact to the economy of the entire Province of Batangas. It generates tax which contributes to the development of the entire province. Government employees have a greater impact on employee's job opportunities, tax revenue and growth of Lambanog industry. An action plan to enhance the Lambanog wine processing industry was proposed to the local government and manufacturers for them to improve the industry of Lambanog in Batangas.

Keywords: *Job Opportunities, Lambanog, Tax Revenue, Economic Impacts, Wine Processing*

INTRODUCTION

Lambanog which is the Philippines' Coconut Wine is a wine prepared from coconut. Lambanog is known for its strong point that customarily brings concerning 80 to 90 proof substitutes. Batangas Province, Philippines was the primary source of Lambanog. Coconut plantation farmers are the people behind lambanog. The tourism's economic impacts were therefore a vital thought in regional, community and state planning as well as economic development. When it comes to marketing and management decisions economic impacts are also important factors. Ranging from pure guesswork to composite mathematical models, a variety of methods, are used in order to estimate the tourism's economic impacts. In quality and accuracy studies vary extensively, aspects of tourism are also included.

The Lambanog is considered as the arak ng masa in the Philippines. It was mainly produced in the Southern Tagalog region, particularly the Batangas area. Lambanog has 100% natural; 80-95 proof spirits that originates from the sap of the unopened flower of the coconut and has stayed called the "coconut nectar" (Simara 2017).

Manufacturing of wines is considered as the Philippines' one of the most commercial industries. Despite recorded economic recession and poor outlook for the economy of the Philippines, there is still a noticeable sales and consumption of alcoholic drinks in town. This is due mainly to the cumulative disposable incomes from the young and of course from the influence of other countries.

For local provinces like Batangas there is a specific wine which is popular nationwide commonly referred to as Lambanog. This tends to capture the interest of the tourists. That is why Lambanog is considered as one of the signature products of Batangas. Lambanog contributes to the industry of Batangas. It is also one of the main reasons why there are lots of tourists who visit the province.

Tourists who are visiting Batangas Province tend to purchase Lambanog which serves as their souvenir. Due to high demands to the tourist and to the local customers, as of now there are different flavors produced which leads to more attraction to the customers. There are customers who tend to purchase different flavors and give it to their love ones as "pasalubong" when they return home. Tourist wants the strong and iconic taste of Lambanog that is why they are recommending it to their love ones and friends which makes Lambanog so much popular. There are some considerable economic impacts and benefits that do not receive much research attention. These relate to the benefits occurring to the traveler, such as contribution of pleasure, travel, rest and relation the educational benefit, the understanding of other people, culture, and the physical and mental well-being of the traveler (Azote et al., 2013; Gonzales, 2017; Abanilla, 2006).

The study will benefit the DOT of Batangas since it will provide ideas regarding to the status of the Lambanog wine processing industry. With the help of the study, they can implement some plans in order to improve the current status of Lambanog wine processing industry. The study can also help the manufacturers to do necessary steps to improve their current process.

And the study will be beneficial for the Students of College of International Tourism and Hospitality Management (CITHM) because this will help them gather additional information regarding to Lambanog Wine Processing Industry in Batangas. This will show how lambanog affects the tourism industry in Batangas. The study will give them ideas and knowledge regarding to the factors which affects the lambanog industry in Batangas. The study can serve as a platform whereas they can base their future studies.

OBJECTIVES OF THE STUDY

The present study wanted to assess the status and impacts of Lambanog wine processing in Batangas. Specifically, presented the profile of the respondents based on position, assessed the Economic Impacts of Lambanog wine processing industry in terms of employment job opportunities, tax revenue, growth of Lambanog industry, tested the significant difference of the

responses when grouped according to the profile variable, and proposed action plan based on the results of the study.

METHODS

Research Design

The design used was the descriptive method. Descriptive Method is used to describe characteristics of a population or phenomenon being studied. It does not answer questions about how/when/why the characteristics occurred. Rather it addresses the "what" question what are the characteristics of the population or situation being studied. The characteristics used to describe the situation or population are usually some kind of categorical scheme also known as descriptive category.

Participants of The Study

The participants of the study came from San Juan, Batangas.

Respondents	Number
Government Officials & Employees	171
DOT Officers	48
Owners & Employees	15
TOTAL	234

Data Gathering Instrument

The researchers used a questionnaire as a medium of gathering information from their respondents. The questionnaire was adapted from the study entitled Socio Economic Impact of selected Bars in Batangas City which consisted of two parts. The first part is about the demographic profile of the respondents while the second part is for the impacts of Lambanog Wine Processing Industry to the Tourism of Batangas. The researchers adopted only three indicators that are relevant to the topic.

Data Gathering Procedure

The research began right after the title was approved by their instructress. Right after the title was approved, the researchers of the study started immediately the process of gathering information related to the proposed study. They gathered information from strong foundations like books and some other theses materials of other students. The researchers visited the Batangas Capitol Office in order to acquire information about their possible respondents of the study. The researchers also presented the draft of their questionnaire to their professors for validation and approval. The distribution of survey questionnaires to the officials of the Department of Tourism, San Juan Batangas was considered as part of the research planning. After doing their survey the tabulated results were validated with the help their statistician.

Data Analysis

Different statistical tools were used after tallying, encoding and interpreting the data gathered. The researchers used frequency distribution when it comes to interpreting the gathered profile variables and answers to the prepared questionnaire. Weighted mean was used to present the average of the gathered data and analysis of variance (ANOVA). These tools were used in accordance to the objectives of the study. The data was also treated using statistical software, PASW version in order to further analyze the result of the study.

RESULTS AND DISCUSSION

Table 1. Percentage Distribution of the Respondents' Profile

Profile Variables	Frequency	Percentage (%)
Sex		
Male	144	61.5
Female	90	38.5
Category		
Government Officials/Employees	171	73.1
Owners/Employees	48	20.5
DOT Officer	15	6.4

Table 1 presents the percentage distribution of the respondents' profile which includes the Profile Variables, Frequency, and the Percentage. The profile variables include sex, male got the total of 144 with 61.5 percentage, followed by the female got 90 with 38.5 percentage.

In terms of the category, the government and officials/employees are 171 with 73.1 of the percentage, followed by the owners/employees which is 48 with 20.5 percentage, and last one is the DOT officers which is 15 with 6.4 percentage.

Government officials actually can monitor the growth of Lambanog Industry. Manufacturers are paying the appropriate taxes. By just observing the generated tax, the local government can identify if the industry needs improvement or not.

For Tourist board or government section, the state tourism support will have significant role to play in advising on the offering prospects to consult and collaborate with a discrete private sector, strategy, and fixing a destination advertising strategy based on an empathy of the proper markets and their wishes and needs. This leads to a produce market fit demonstrating products and services vital to entice the ideal visitor traffic. This is a vital role. The marketplace will regulate the consequence and the marketers have the vital accountability to ensure item for consumption growth to suit the vital visitor movement (Harolds, 2015).

Table 2 shows the economic Impact of Lambanog Wine Processing Industry in terms of Employment Job Opportunities with composite mean of 3.67 and with verbal interpretation of strongly agree. The item when there is employment, the productive resources of the economy are fully used ranked first and got the total of 3.92 weighted mean, followed by individuals have more chances to improve their economic conditions got the 3.70 of weighted mean and the third one is

there's is an increase in national income or gross national product got the total of 3.65 weighted mean. Moreover, the business is doing good such that the industry can contribute much as to taxes. When there is employment, the productive resources of the economy are fully used because when the employment will increase the productive resources and the economy are fully used. If the industry will have an abundant man power, it will be easy for them to utilize the resources. They can easily double the production rate by means of hiring additional employees to work for them.

Table 2. Economic Impacts of Lambanog Wine Processing Industry in terms of Employment Job Opportunities

Employment Job Opportunities	Weighted Mean	Verbal Interpretation	Rank
1. When there is employment, the productive resources of the economy are fully used.	3.92	Strongly Agree	1
2. Individuals have more chances to improve their economic conditions.	3.70	Strongly Agree	2
3. There's is an increase in national income or gross national product	3.65	Strongly Agree	3
4. Employees are willing to hire more workers	3.56	Strongly Agree	6
5. Several foreigners are encouraged to invest in the city	3.62	Strongly Agree	4
6. People transform into more productive	3.58	Strongly Agree	5
Composite Mean	3.67	Strongly Agree	

Legend: 3.50 – 4.49 = Strongly Agree; 2.50 – 3.49 = Agree; 1.50 – 2.49 = Disagree; 1.00 – 1.49 = Strongly Disagree

According to Atienza (2015) many wine careers offered require certifications, years of experience, education, and an extensive knowledge of wine which isn't acquired simply by drinking large quantities of wine even though working in the wine industry sounds alluring. It was proven by wine industry jobs that they can offer dynamic and exciting career opportunities. It is narrow as running a vineyard that is the perception of others when it comes to working in wine industry. Wine has become a household interest in today's world. For the average job seeker, it presented a whole new realm of possibilities.

The least 3 items are several foreigners are encouraged to invest in the city got the 3.62 total of the weighted mean followed by people transform into more productive which got the weighted mean of 3.58 and lastly the employees are willing to hire more workers which got the total of 3.56 weighted mean.

Employees are willing to hire more workers which got the lowest rank since there the industry is classified as a small industry. There are only few people who are working since they have limited knowledge when it comes to the process. Employees also lack proper trainings for processing and safety. There are also small number of stores which sells the product.

Balba (2017) said that it can require a serious passion and dedication for wine, years of

schooling, years of experience and a meticulous eye although winemaking and other production jobs sound appealing. It can be an exciting and fulfilling career for the right individual because no one can become a winemaker on a whim. A vineyard job would be the right choice if they prefer an outdoor work. Typically, either previous work experience or some schooling will be required but the type of jobs ranges from entry level to highly skilled. It truly is a scientific art form because picking fruits isn't quite the same as gardening. The sales and marketing avenue may be their path moving on to the business aspect of the wine industry. Bachelor's degree for these positions was preferred by most wineries or wholesalers.

Table 3. Economic Impact of Lambanog Wine Processing Industry in terms of Tax Revenue

Tax Revenue	Weighted Mean	Verbal Interpretation	Rank
1. Taxes help stabilize the government	3.89	Strongly Agree	1
2. Lambanog business pay taxes to local government to raise the revenue for other kinds of public goods	3.68	Strongly Agree	2
3. Taxes helped the government to be equipment with corresponding operation ponds	3.66	Strongly Agree	3
4. It equitably contributes to the wealth of nation	3.55	Strongly Agree	4
5. It is needed for social and economic infrastructure such as road bridges and other facilities	3.54	Strongly Agree	5
Composite Mean	3.67	Strongly Agree	

Legend: 3.50 – 4.49 = Strongly Agree; 2.50 – 3.49 = Agree; 1.50 – 2.49 = Disagree; 1.00 – 1.49 = Strongly Disagree

Table 3 presents the economic impact of lambanog wine processing industry in terms of tax revenue with composite mean of 3.67. Taxes help stabilize the government got the total of 3.89 weighted mean, followed by lambanog business pay taxes to local government to raise the revenue for other kinds of public goods got the 3.68 of weighted mean and the third one is taxes helped the government to be equipment with corresponding operation ponds got the total of 3.66 weighted mean.

Rank 1 states that taxes help stabilize the government. Taxes contributes much to the local government of San Juan in fact majority of the government projects in town came from the different industries like the Lambanog industry. Labor is considered as one of the economy's productive resources. People who are working in the industry is an evidence that the industry contributes to the improvement of the economy. The government is helping the local wine industries for the product to be popular. If the product will be popular and have more buyers, it will generate large amount of taxes which will benefit the community.

To raise additional revenue with higher taxes on “sin products,” such as alcohol and cigarettes are the goal of the new law. It was implemented last January 1. Lambanog would have an advantage over other bottled spirits in the market Mallari says although the Bureau of Internal Revenue (BIR) has yet to issue guidelines for the price increase. Compared to the lambanog's P60, P75 was the amount of a 750-milliliter bottle of the leading brand. According to a store owner, even

without the BIR guidelines, it is now selling for P90 in the neighborhood store (Joseph, 2017).

The lowest in the rank states that it is needed for social and economic infrastructure such as road bridges and other facilities got the total of 3.54 of weighted mean.

According to Joseph (2017), Lambanog would have an advantage over other bottled spirits in the market Mallari says although the Bureau of Internal Revenue (BIR) has yet to issue guidelines for the price increase. Compared to the lambanog's P60, P75 was the amount of a 750-milliliter bottle of the leading brand. According to a store owner, even without the BIR guidelines, it is now selling for P90 in the neighborhood store.

Table 4. Economic Impact of Lambanog Wine Processing Industry in terms of Growth of Lambanog Industry

Growth of Lambanog Industry	Weighted Mean	Verbal Interpretation	Rank
1 Due to rapid growth of the industry careers in the hospitality industry are expanding.	3.84	Strongly Agree	1
2. With the growth of Lambanog industry it also means growth in the numbers of related industries	3.70	Strongly Agree	2
3. Because Lambanog is still growing management position in tourism of Batangas	3.69	Strongly Agree	3
4. They bring an enormous tourism boost to many parts of society	3.64	Strongly Agree	5
5. It creates many thousands of jobs which would otherwise not exist	3.58	Strongly Agree	6
6. It had the ability to generate more employment and prosperity	3.65	Strongly Agree	4
Composite Mean	3.69	Strongly Agree	

Legend: 3.50 – 4.49 = Strongly Agree; 2.50 – 3.49 = Agree; 1.50 – 2.49 = Disagree; 1.00 – 1.49 = Strongly Disagree

Table 4 presents the economic impact of lambanog wine processing industry in terms of growth of lambanog industry with composite mean of 3.69 and with verbal interpretation of strongly agreed.

The item due to rapid growth of the industry careers in the hospitality industry are expanding got the highest ranking with 3.84 weighted mean, the next one is with the growth of Lambanog industry it also means growth in the numbers of related industries got the 3.70 of weighted mean, followed by because Lambanog is still growing management position in tourism of Batangas got the total of 3.69 weighted mean.

The locals have additional jobs as a tour guide visiting different lambanog manufacturer on the local production site. Same rules as customer service but is classified differently was followed by hospitality. Hospitable people are stated to be cordial, genial, warm, and friendly. It is classified differently because it is different that is the simple answer to why hospitality is classified differently than customer service. Hospitality is the disposition or quality of treating and receiving strangers or guest in a friendly, warm, generous way (Dimaano, 2015).

The three item which got lowest rank are, it creates many thousands of job which would otherwise not exist got the total of 3.64 of weighted mean, it had the ability to generate more employment and prosperity got the total weighted mean of 3.65 and the last item is they bring an enormous tourism boost to many parts of society got the total weighted mean of 3.58.

The item it had the ability to generate more employment and prosperity are last in rank because there are only small barangays which produces Lambanog. In fact, there are others who still prefer to work in other companies rather than working in a Lambanog industry due to limited income it can provide. People also find it hard to process or create lambanog. Lambanog still needs to achieve more popularity for the industry to provide stable jobs for the people.

Balba (2017) said that it can require a serious passion and dedication for wine, years of schooling, years of experience and a meticulous eye although winemaking and other production jobs sound appealing. It can be an exciting and fulfilling career for the right individual because no one can become a winemaker on a whim. A vineyard job would be the right choice if they prefer an outdoor work. Typically, either previous work experience or some schooling will be required but the type of jobs ranges from entry level to highly skilled. It truly is a scientific art form because picking fruits isn't quite the same as gardening. The sales and marketing avenue may be their path moving on to the business aspect of the wine industry. Bachelor's degree for these positions was preferred by most wineries or wholesalers.

Today's job market is a challenging environment for employers seeking to feel open or new positions with candidates who can contribute to the continued growth and success of the business. The laws of supply and demand are apparent in the job market, and many wineries have experienced a short supply of qualified candidates as their hiring demands have increased (Teresa, 2017).

Table 5. Difference of Responses on the Economic Impact of Lambanog Wine Processing Industry when Grouped According to Profile

	Employment Job Opportunities			Tax Revenue			Growth of Lambanog Industry		
	F-value	p-value	I	F-value	p-value	I	F-value	p-value	I
Sex	1.573	.117	NS	1.524	.129	NS	.208	.835	NS
Category	10.331	.000	HS	10.820	.000	HS	5.365	.005	S

Legend : Significant at p-value < 0.05; HS – Highly Significant, S- Significant; NS-Not Significant

Table 5 reveals that there was a significant difference observed on economic impact of lambanog in terms of employment job opportunities (0.00), tax revenue (0.000) and growth of lambanog industry (0.005) when grouped according to category. This was observed since the obtained p-values were less than 0.05 alpha level. In addition, based from the result, it was found out that those in the government assessed the impact positively. The difference of responses on the economic impact of lambanog is the growth of lambanog as a significant and the employment job opportunities and tax revenue are high significant in the p-values.

The industry for a variety of reasons touted Tourism’s economic welfares. In general, claims of tourism’s economic significance provides greater respect to the industry among the business community, public officials, and the public. Conclusions or public policies that are favorable to tourism are often translated here. An activity that affects the entire public which is a form of community support is very important to tourism. Businesses, government and residents of the local community are the sectors were tourism depends (Segal, 2016).

It usually takes one to two hours in the distillation process to collect 5 gallons of wine and it depends on the amount of heat applied. “Putuhan” is usually made of clay and commonly situated in areas near some bodies of water and to river where there is an adequate amount of water to be use in purification process. It usually cost 200 to 500 pesos for 5 gallons of lambanog depending on the amount of demand and supply. lambanog does not contain harmful chemicals and is 100% natural unlike other commercially fashioned wine and alcohol (Desmond, 2017)

Table 6. Proposed Action Plan to Improve Lambanog Wine Processing Industry

KRA	Strategies/ Program Activities	Outcomes
To Transform People into more Productive	The Lambanog manufacturers will provide jobs to the locals. For instances, encourage the locals to have backyard plantation that could help in the production of Lambanog. Local officials may conduct or provide livelihood programs	Manufacturers can easily gather sap to produce lambanog. Residents can turn their backyard plantation into a productive area
To improve Socioeconomic Infrastructures	and projects for the residents like lambanog boxes and storage since there are tourist who are wants to preserve the taste of lambanog. The local government can provide pasalubong center which can encourage showcase the different local products including Lambanog. They can also provide Tourist Services and infrastructure which can help the locals assisting the tourist vising the place. The employees will be the locals. They will be providing services like transportation and information services for the tourist.	which can help them earn money. The industry can now easily sell their products to the tourist. The locals will also have an opportunity to earn money since they will be the tour guide of the tourist.
To Create Jobs	The local government may transform the coconut plantations for lambanog into a tourist spot which can help the locals to have job. This is also an opportunity for the locals to showcase their hospitality to the tourist. Manufacturers can also bring lambanog to the supermarkets which they can hire the locals as merchandizers since they are the people who know the actual product.	The plantation will be an ideal tourist spot which can help the people to interact to the tourist and have a source of living through showcasing their hospitality to the tourist.

CONCLUSION

Majority of the respondents are male and came from government officials of San Juan Batangas. Lamabanog wine has a big impact to the economy of the entire Province of Batangas. It generates tax which contributes to the development of the entire province. Government employees have a greater impact on employee's job opportunities, tax revenue and growth of Lamabanog industry. An action plan proposed by the researchers to enhance the Lamabanog wine processing industry was proposed to the local government and manufacturers for them to improve the industry of Lamabanog in Batangas.

RECOMMENDATIONS

The Province of Batangas may continue helping the different lamabanog wine processing industry in order to provide more job opportunities to the people in Batangas by giving them free seminars and training on how to process Lamabanog accurately. The Department of Tourism may provide some ways to introduce Lamabanog by including and presenting Lamabanog to different exhibits. This might increase the demand of Lamabanog which will help the local industry. Wine processing industry owners may continue exploring in order to improve the quality of Lamabanog by improving or change the packaging into a real wine bottle to be able for Lamabanog to be more presentable to the tourist. The researchers proposed an action plan may be implemented for the local government to improve the current industry which may increase tourism rate in the province. And for the future researchers they may conduct similar study with different variables such as socio-cultural and environmental impacts.

REFERENCES

- Abanilla, R. A. (2006). Effects of Pahiyas Festival to the Social Economic and Cultural Life of Lucbanins, Unpublished Thesis. Lyceum of the Philippines University-Batangas
- Atienza, J. (2015), "How Long it Takes to Have the Iconic Taste?" Wines and Liquors, Business Journal.
- Azote, J. T., Braza, N. C. D., Brotonel, C. A., Briones, C. D. D., Gonzales, J. R., Umali, E. M., & Borbon, J. C. (2013). Socio-Economic Benefits of the Future Domestic Airport in the Tourism Industry of San Juan, Batangas, Philippines. *Educational Research International*, 2(1), 100-105.
- Balba, A. (2017), "Local Berries for Bright Economy," Aguila Books and Magazines.
- Desmond, B. (2017), "Lamabanog Process," The Philippine Business Magazine.
- Dimaano, J. (2015), "Hospitality in the Philippines," Travellers' Journal.
- Garcia, R. B. (2014). Socio-Economic Impact of Business Establishments in Balagtas, Batangas City to the Community: Inputs to Business Plan Development, *Asia Pacific Journal of Multidisciplinary Research* 2 (5), 150-157

- Gonzales, V. D. (2017). Cultural and Economic Benefits of Festivals to Community Residents of Batangas, Philippines, *Asia Pacific Journal of Education, Arts and Sciences*, 4(2), 14-22
- Harolds, S. (2015), "Importance of Government Laws," *Philippine Journal of Business*.
- Joseph, A. (2017), "Sin Laws," *The Philippine Business" Magazine*.
- Segal, S. (2016), "Tourism's Economic Welfares," *New York Times Magazine*.
- Simara, A. (2017), "Impacts of Lambanog to the Filipino Folks," *University of the Philippines*.
- Teresa, F. (2017), "Tourism Industry and its Impact to economy," *Lemery Colleges*.