

# Revenue Management of School Canteen in Division of Nueva Ecija - Aliaga District: Basis for Strategic Plan

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*Abstract* — This study assessed the revenue management of the school canteens in the Division of Nueva Ecija – Aliaga District. It will provide a basis for a strategic plan to boost the revenue for school canteen owners. This study used a survey questionnaire to gather data from the school canteen owners in Aliaga District. It utilized a quantitative research method in this study. For the profile snapshots, respondents operating a school canteen for more than 6 years with a starting capital of Php 100, 000.00 below, employing more than 10 employees and managed by the school. Respondents overwhelmingly expressed approval and positive results for the revenue management practices of the school canteen. They agree on sales performance, inventory management, and revenue management strategies and strongly agree on both product and financial management of the school canteen. Feedback from respondents demonstrates strong consensus as recommended to boost the revenue of the school canteen with an emphasis on product variety, customer experience, and adherence to regulations. Cost-efficiency and waste reduction to improve inventory management. Lastly, canteen monitoring and tracking financial performance, will ensure that resources are being used efficiently.

*Keywords* — *Revenue Management, School Canteen, Strategic Plan*

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## I. Introduction

The management of school canteens is vital for the well-being of students and the sustainability of school operations. In the Philippines, public elementary schools are mandated to operate canteens under guidelines prioritizing student health, transparency, and accountability.

These canteens are managed either through a cooperative model or a school-managed approach. While some schools prefer the cooperative model due to its service-oriented and student-focused nature, others opt for the school-managed approach. The cooperative model is often favored because it enhances resource generation and public service delivery.

School canteens play a crucial role in promoting healthy eating habits among students. The Department of Education (DepEd) in the Philippines has mandated that public elementary schools operate canteens to combat malnutrition and promote wellness (DepEd Order No. 8, 2007). A research by Ladia (2013) emphasizes that canteens are not merely profit-driven entities; they are integral to the school's educational mission, providing a source of nutrition for students. The management practices of these canteens directly affect the quality of food served and, consequently, student satisfaction and health.

Several years ago, the Department of Education (DepEd) issued a memorandum requiring all public elementary schools to establish canteens. This memorandum outlined specific guidelines emphasizing that school canteens should help eliminate malnutrition among students, promote healthy eating habits, and prioritize service over profit. Furthermore, the memorandum underscores the importance of transparency and accountability in reporting and accounting for canteen proceeds. Adhering to professional management practices and safety measures is crucial for ensuring that canteens positively contribute to students' health and well-being (DepEd Order No. 8, 2007).

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Ladia (2013) emphasized that schools recognize the importance of proper nutrition in children's growth, making food services a key part of their programs. However, mismanagement of canteens, including issues with profit transparency and facility adequacy, can negatively impact the quality and quantity of food served. This undermines student satisfaction and the success of school development programs, with ongoing complaints indicating persistent problems in canteen operations.

Recent studies indicate that effective revenue management in school canteens can lead to improved financial performance, reduced waste, and enhanced service delivery (Ezeh & Ogara, 2020). Techniques such as dynamic pricing, inventory optimization, and sales forecasting are employed to address these challenges and improve operational efficiency (Bandalouski et al.,

2017). Preliminary observations suggest that while some canteens exhibit strong performance, others struggle with inefficiencies and stock management issues. A study by Sarve, Pikalmunde, and Kumbhare (2024) highlights that many school canteens in the Philippines face difficulties in implementing effective inventory controls and sales strategies, leading to financial shortfalls and operational inefficiencies.

This study aims to evaluate the revenue management practices in DepEd canteens within the Division of Nueva Ecija - Aliaga District, focusing on sales performance, inventory practices. By analyzing existing practices and identifying areas for improvement, this research seeks to provide actionable recommendations that can enhance financial outcomes and operational efficiency in these canteens. Ultimately, this study will contribute to a better understanding of revenue management in the educational sector and offer valuable insights for policymakers and school administrators aiming to optimize canteen operations.

## II. Methodology

This study utilized a quantitative research method in this study. Bhandari (2023) states that conducting quantitative research involves gathering and analyzing numerical data using statistical methods to determine patterns, correlations, and effects between variables. The sampling technique will utilize the purposive sampling technique. The researcher will be using their expertise to select a sample that is most useful to the purposes of the research. These factors included the research's purpose, the research questions, the availability of participants, and the resources and time constraints of the researchers.

A stratified random sampling technique will be employed to select participants for the study. This method ensures representation from different types of canteen management structures—cooperative and school-managed. A sample size of approximately 100 respondents will be targeted to achieve statistical significance, allowing for a robust analysis of the data collected.

The respondents for this study will include school canteen managers, staff members, and administrators from selected public elementary schools within the Nueva Ecija - Aliaga District. A diverse range of participants will ensure a comprehensive understanding of the operational practices and challenges faced by the canteens. These schools operate canteens under different management models—cooperative and school-managed—making them suitable for assessing the impact of various operational approaches on revenue management.

### III. Results and Discussion

#### Profile of the Respondents

**Table 1 Frequency and Percentage Distribution on the Respondents' Profile Variables**  
**N=23**

| Profile Variables   |                    | Frequency (f) | Percentage (%) |
|---------------------|--------------------|---------------|----------------|
| Length of Operation | More than 6 years  | 17            | 73.9           |
|                     | 4-6 years          | 3             | 13.0           |
|                     | 1-3 years          | 2             | 8.7            |
|                     | Less than 1 year   | 1             | 4.3            |
| Starting Capital    | Php 300, 001 above | 0             | 0              |
|                     | Below Php 100, 000 | 21            | 100            |
| Number of Employees | 10 above           | 12            | 52.2           |
|                     | 7-9                | 3             | 13.0           |
|                     | 4-6                | 1             | 4.3            |
|                     | 1-3                | 7             | 30.4           |
| Management Type     | Cooperative        | 1             | 4.3            |
|                     | School-Managed     | 22            | 95.7           |
| <b>Total</b>        |                    | <b>23</b>     | <b>100</b>     |

Most school canteens in the study (73.9%) have been in operation for over six years, indicating established businesses with efficient revenue generation systems. A smaller portion (13%) have been operating for 4-6 years, while a few (8.7%) are relatively new, operating for 1-3 years. The majority of canteens (52.2%) employ 10 or more staff members, suggesting large-scale operations, while 30.4% employ 1-3 staff, indicating smaller-scale operations. Most canteens (95.7%) are school-managed, highlighting a preference for direct control over operations to ensure quality and compliance, with only 4.3% operating cooperatively.

## Factors Affecting Revenue Management Practices of School Canteen Sales Performance

**Table 2 School-Canteen Sales Performance**

|   | Statement Indicator   | WM          | QI       | Rank |
|---|---|-------------|----------|------|
| 1 | Canteens are meeting the sales targets the school/district set.             | 3.57        | A        | 6.5  |
| 2 | Revenue sources are well-diversified to reduce risk.                        | 3.57        | A        | 6.5  |
| 3 | Sales performance is reviewed frequently enough to make informed decisions. | 4.22        | SA       | 1.5  |
| 4 | The canteen tracks daily/weekly/monthly sales performance.                  | 4.22        | SA       | 1.5  |
| 5 | Sales are growing steadily.   | 3.43        | A        | 8    |
| 6 | Sales trends are accurately analyzed and inform decision-making.            | 4.00        | A        | 4.5  |
| 7 | Daily sales of food items are the main source of revenue.                   | 4.13        | SA       | 3    |
| 8 | Stock turnover rates and profit margins are monitored and analyzed          | 4.00        | A        | 4.5  |
|   | <b>Overall Weighted Mean</b>  | <b>3.89</b> | <b>A</b> |      |

Table 2 shows that school canteens generally implement satisfactory sales performance practices, with a weighted mean of 3.89. Key areas include frequent reviews and tracking of sales, as well as maintaining quality and variety in food offerings. Sales analysis and decision-making, with a mean of 4.00, also highlight the importance of tracking trends and stock turnover. However, areas for improvement include financial planning and exploring additional income streams, both with a mean of 3.57. The lowest-rated factor, steady sales growth, suggests challenges in maintaining consistent revenue, requiring strategic planning and innovation to improve financial sustainability.

## Inventory Management Practices

**Table 3 School-Canteen Inventory Management Practices**

|   | Statement Indicator   | WM          | QI       | Rank |
|---|---|-------------|----------|------|
| 1 | The canteen follows systematic inventory management practices.                      | 4.09        | SA       | 4    |
| 2 | Accurate records of stock levels are maintained.                                    | 4.17        | SA       | 3    |
| 3 | Stock levels are checked and updated regularly (daily/weekly/monthly).              | 4.30        | SA       | 2    |
| 4 | Perishable items are monitored and managed more frequently                          | 4.35        | SA       | 1    |
| 5 | Digital systems or manual logs are effectively integrated with inventory management | 3.96        | A        | 5    |
| 6 | There are frequent issues related to stock discrepancies                            | 3.00        | A        | 8    |
| 7 | Wastage/spoilage of perishable items is a significant challenge                     | 3.57        | A        | 6    |
| 8 | Storage space limitations hinder effective inventory management                     | 3.39        | A        | 7    |
|   | <b>Overall Weighted Mean</b>  | <b>3.85</b> | <b>A</b> |      |

School canteens show generally satisfactory inventory management practices, with a weighted mean of 3.85. Key strengths include effective monitoring of perishable items, regular stock checks, and accurate record-keeping. However, integrating digital systems or manual logs into inventory management was rated lower, indicating room for improvement. Challenges such as stock discrepancies, spoilage, wastage, and limited storage space need to be addressed. Overall, while the canteens perform well in monitoring inventory and maintaining records, enhancing technological integration and tackling these challenges could further improve efficiency.

## Revenue Management Practices

**Table 4 School-Canteen Revenue Management Practices**

|   | Statement Indicator  | WM          | QI       | Rank |
|---|--|-------------|----------|------|
| 1 | The revenue strategies help the canteen meet financial goals.  | 3.91        | A        | 3    |
| 2 | Revenue growth is consistent and stable.                       | 3.52        | A        | 7    |
| 3 | The strategies are effective in managing operational costs.    | 3.96        | A        | 2    |
| 4 | Effective pricing strategies are in place.                     | 4.26        | A        | 1    |
| 5 | Promotions and events are used to generate additional revenue. | 3.83        | A        | 4    |
| 6 | Revenue is diversified across different income streams.        | 3.74        | A        | 5    |
| 7 | High operating costs are a major barrier to profitability.     | 3.65        | SA       | 6    |
| 8 | Lack of financial oversight impacts revenue management.        | 2.70        | N        | 9    |
| 9 | Pricing strategies are not aligned with customer needs.        | 3.22        | A        | 8    |
|   | <b>Overall Weighted Mean</b>                                   | <b>3.64</b> | <b>A</b> |      |

Table 4 highlights the revenue management practices of school canteens, showing generally effective practices but with room for improvement. Key strengths include effective pricing strategies, cost efficiency, and alignment of revenue strategies with financial goals. Promotions and income diversification are also important. However, challenges such as inconsistent revenue growth, high operating costs, misaligned pricing strategies, and a lack of financial oversight hinder overall efficiency. These areas need attention to enhance the canteens' financial sustainability.

## Product Management Practices

**Table 5 School-Canteen Product Management Practices**

|   | Statement Indicator                                   | WM          | QI        | Rank |
|---|---|-------------|-----------|------|
| 1 | The variety of food and beverage items offered.       | 3.70        | A         | 8    |
| 2 | The pricing strategy used for different items.        | 4.00        | SA        | 7    |
| 3 | The quality and taste of the food and beverages.      | 4.04        | SA        | 6    |
| 4 | The presentation and packaging of food items.         | 4.13        | SA        | 4    |
| 5 | Marketing efforts to attract customers.               | 4.17        | SA        | 2.5  |
| 6 | Introduction of new or modified products.             | 4.17        | SA        | 2.5  |
| 7 | Adjusting product offerings based on seasonal demand. | 4.09        | SA        | 5    |
| 8 | Offering customized or personalized food options.     | 4.22        | SA        | 1    |
|   | <b>Overall Weighted Mean</b>                          | <b>4.06</b> | <b>SA</b> |      |

The data in Table 5 reveals that school canteens excel in product management practices, with an overall weighted mean (WM) of 4.06, indicating strong agreement.

The highest-ranked indicator is the value of offering customized food options, which enhances customer satisfaction and increases the likelihood of repeat purchases. Marketing efforts and the introduction of new or modified products are ranked second and third, respectively, demonstrating a proactive approach to market trends and maintaining customer interest.

The presentation and packaging of food items rank fourth, indicating the importance of visual appeal and functionality in influencing purchasing decisions. Adjusting product offerings based on seasonal demand ranks fifth, indicating canteens recognize and respond to fluctuations in customer preferences. The quality and taste of food and beverages are acknowledged as essential factors in meeting customer expectations.

Lower-ranked indicators include pricing strategies for different items and the variety of food and beverage items offered, ranking seventh and eighth, respectively. Strengthening these aspects could enhance overall product management practices, leading to improved customer satisfaction and financial outcomes.

## Financial Management Practices

**Table 6 School-Canteen Management Practices**

|   | Statement Indicator   | WM          | QI        | Rank |
|---|---|-------------|-----------|------|
| 1 | Analyze revenue trends and identify factors influencing revenue growth.   | 4.04        | SA        | 4.5  |
| 2 | Break down expenses into categories and identify areas for cost reduction.                                      | 4.17        | SA        | 1.5  |
| 3 | Calculate the profit margin to assess the overall financial performance of the canteen.                         | 4.04        | SA        | 4.5  |
| 4 | Analyze the cash flow statement to identify potential cash shortages or surpluses and optimize cash management. | 3.96        | SA        | 6.5  |
| 5 | Compare actual performance to budgeted figures to identify deviations and take corrective action.               | 4.17        | SA        | 1.5  |
| 6 | Evaluate the accuracy of financial forecasts to improve future planning and decision-making.                    | 3.96        | SA        | 6.5  |
| 7 | Conduct a risk assessment to identify potential financial risks and develop mitigation strategies               | 4.04        | SA        | 4.5  |
|   | <b>Overall Weighted Mean</b>  | <b>4.05</b> | <b>SA</b> |      |

The respondents “Strongly agree” with indicator 1, “The organization maintains strong relationships with its suppliers,” manifested in its high mean value of 3.90 and ranked 1st, while the least was indicator 3. There is open communication and collaboration with suppliers to drive quality improvement.”, with a mean of 3.60 interpreted as “Strongly agree” ranked 5th. Overall, the responses towards supplier relationship obtained a weighted mean of 3.74 with a qualitative interpretation of “strongly agree.”

**Recommendations for Improvements**

*What improvements would you suggest to enhance sales performance in the canteen?*

To enhance canteen sales, it's important to offer a variety of appealing products for both children and adults, with pricing aligned to the target market's financial capabilities. Compliance with DepEd regulations ensures credibility and customer trust while adhering to health and safety guidelines promotes better eating habits. Friendly, knowledgeable staff and high hygiene standards create a positive customer experience, encouraging repeat business. Cooperation and support from all stakeholders are key to successfully implementing these strategies, improving operations, and boosting sales.

*What changes would you recommend to improve inventory management practices?*

Based on the feedback, several key strategies emerge for improving inventory management practices in the canteen, which can directly impact product availability, cost-efficiency, and waste

reduction. Effective inventory management is crucial for canteen managers and using accessible tools like spreadsheets or simple applications can enhance accuracy and efficiency in tracking stock levels. Implementing the FIFO (First In, First Out) method is recommended for items with short shelf lives to minimize spoilage and waste. A computerized inventory system or a digital register can streamline processes, facilitating better tracking of purchases and usage. Regular weekly inventory checks are essential for maintaining accurate stock levels and identifying slow-moving items.

Additionally, providing training for canteen staff and teachers through seminars or workshops can ensure everyone is well-versed in inventory practices and tools. Furthermore, analyzing sales data to align inventory with trends can help predict demand and reduce surplus. In summary, integrating digital tools, consistent tracking, effective stock management techniques, and staff training can lead to more efficient canteen operations, reduced waste, and improved service.

*What additional support or resources would be beneficial for better revenue management?*

Improving financial management and sales performance in the canteen can be achieved through staff training, effective monitoring, and sufficient funding for a diverse product range. Sales training can enhance staff engagement with customers, while regular monitoring ensures resource efficiency. Offering a variety of products and developing attractive menus that highlight popular, profitable, and healthy items can boost customer engagement and sales. These strategies are key to enhancing the canteen's financial stability and performance.

#### **IV. Conclusion**

The study concludes that most school canteen operators in the Nueva Ecija – Aliaga District have over six years of experience and started with less than Php 100,000 in capital. Currently school-managed, these canteens employ over 10 staff members. Respondents recognize the importance of improving revenue management practices, effective sales performance, and efficient inventory management, particularly for perishable items. Recommendations for improvement include diversifying product offerings, implementing competitive pricing, adhering to DepEd regulations, and using digital tools for inventory management. Revenue strategies should focus on cost control, financial oversight, and staff training, while enhancing marketing efforts and fostering stakeholder collaboration to ensure operational sustainability.

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