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Research Article

Perspective of SME's: Assessing the Profound Impact of Big Establishments on Small and Medium Enterprises (SME's) at Poblacion, Mandaon, Masbate

Jelyn C. Sabaulan^{1*}, Teresa A. Aguilar¹, Sharmaena M. Villester², Regane B. Desales³, Karla Mae G. Badiana³

¹Instructor, College of Arts and Sciences DEBESMSCAT, Mandaon, Masbate, Philippines

²Asst. Prof I. College of Arts and Sciences DEBESMSCAT, Mandaon, Masbate, Philippines

³College of Arts and Sciences, DEBESMSCAT, Mandaon, Masbate, Philippines

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*Corresponding author:

E-mail:

jelyncsabaulan@gmail.com

ABSTRACT

The operation of SMEs produces a large share of employment and income generation, and they are essential in distributing commodities for consumption. The municipality of Mandaon becomes more and more progressive, and the increasing number of big establishments has been described as a threat to the SME's day-to-day activities. Therefore, this study emphasized SMEs rather than big establishments. To address this problem, researchers evaluated the profound impact of big establishments on small and medium enterprises (SMEs) in Barangay Poblacion, Mandaon, Masbate. The data from the aforementioned situation and problem were gathered through a survey utilizing a self-made Likert-scale questionnaire, which was then evaluated by reliability testing using SPSS statistics. The reliability statistics indicate that the high Cronbach's alpha value of .987 suggests very strong internal consistency among the items in the scale. It was distributed to 50 respondents, who are small and medium enterprises (SMEs) that were chosen through a purposive sampling design. The findings of the study show that the existence of big establishments has an adverse impact on the operation of small and medium enterprises (SMEs). Based on the analysis of the data, the monthly sales, revenue, and pricing of SMEs were affected. In addition, the customers were highly affected by the opening of the big establishment, and the results were analyzed through weighted mean and multivariate analysis. As a result, the researchers will recommend a comprehensive capacity building activity entitled GROW-ME: Generating Revenue Opportunities for Well-Managed Enterprises. It is an innovative extension activity, offering

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training program, workshop and mentorship opportunity to implement various development strategies. This initiative is designed to enhance the skills and capabilities of SME owners and employees. Minimizing the influence of big establishments on SME's can be crucial for fostering a competitive and diverse business environment.

Keywords: *SME's, Big establishment, Monthly sales, Revenue, Customer, Pricing*

Introduction

This chapter presents the background of the study, the statement of the problem, the objectives, the significance of the study, the scope and limitation, the theoretical and conceptual framework, and the definition of terms.

Background of the Study

Small and medium enterprises (SMEs) are diversely defined around the world. The standard identification for SMEs varies from country to country, mostly through their industry. It refers to privately owned businesses whose capital, workforce, and assets fall below a certain threshold set by national regulations. Contrary to characteristics evident in big establishments, SMEs make less money with fewer people and fewer resources, such as local eateries, retailers, garages, and many others that usually cater to local customers and markets (Verma, 2023). SMEs are mostly considered unorganized and predominantly consist of small, independent, and owner-managed enterprises.

In India, SMEs are identified based on investments made by businesses. In the United States, SMEs are defined based on the industry, while in the United Kingdom, SMEs are defined based on the number of employees working in the company, turnover, and balance sheet total (Verma, 2023). The Philippines, on the other hand, defines small and medium enterprises in two ways: firstly, based on asset size, and secondly, based on the number of employees (Francisco & Canare, 2019).

As the world progresses, it has also become much more competitive, with businesses fast-growing and people focusing much more on how to earn money or profit. Many new businesses arose, including SMEs, which had been

very beneficial specifically to developing countries such as the Philippines. The Philippines is a developing country that has faced numerous challenges, including massive unemployment data, unending poverty due to low income, and the slightest growth in the development process. With this, the involvement of the private sector, such as the operation of small and medium enterprises, which produce a large share of employment, income generation, and distribution of commodities for consumption, has surely been a huge help and is now considered the lifeblood for the development process of the domestic economy.

There is growing recognition of the importance of SMEs' operations in economic development. It is often described as an efficient or prolific job creator and income generator, particularly for low-skilled workers and youth. According to the World Bank (n. d.), SMEs represent about 90% of businesses and more than 50% of employment worldwide. In 2030, there will be a need for 600 million jobs, and SMEs are considered the most important contributors to such a growing global workforce. Also, this sector greatly prevents poverty and inequality by creating jobs for the country's growing labor force.

Aside from SMEs, big establishments also contributed to impressive growth in the economy of a country. As big establishments continue to expand, it means expansion for economic growth as well. The existence and massive growth of SMEs in the industry create a long-term promise for the business world. It is undeniably true that large businesses and their services are at a different level compared to the services offered by SMEs, which profoundly affects the systems of SMEs' owners. This study

gives importance to the existence of SMEs affected by large-scale businesses.

As the years passed, Mandaon became a much more progressive municipality, with big establishments expanding. The expansion of these big establishments was considered a threat to the SMEs' day-to-day operations. Also, the development of the big establishments changed the perspective of the customers in choosing the most comfortable and convenient place for purchasing goods, and it has also changed the dynamics of business. The big establishments in Barangay Poblacion, Mandaon, Masbate provide better and more convenience to the customers by offering them high-quality products, good services, great value at an affordable price, more venues, and the best shopping experience. The progress of the big establishments creates competitive threats to the survival of SMEs in terms of performance, profitability, and sustainability in the market.

In Barangay Poblacion, Mandaon, Masbate, SMEs play a fundamental role for the communities. It is the most common source for anyone who is looking for food, drink, gas, or any other basic needs of the community. They are one of the main contributors to essential products for mass consumption and also provide part time employment and income to a very large number of people in a community. SMEs are mostly locally owned and operated by families and are considered family businesses to augment family income. Compared to big establishments, which most likely offer items as a whole, SMEs offer and sell goods in "*tingi*," or by piece.

Big establishments affect the progress or growth of SMEs, as they are their biggest competitors. Behind the long-term benefits of big establishments, SMEs unable to adopt innovation will lose. SMEs in Barangay Poblacion are a source of survival as they increase the income and employment rate of the municipality, but due to increased competition from big establishments, many SMEs would lose profit and eventually shut down, resulting in yet another problem for the industry and society. Based on the information stated, the researchers conducted a study that aims to determine the impacts of big establishments on SMEs by analyzing the problems faced by the businesses lo-

cated in Barangay Poblacion, Mandaon, Masbate. The researchers are motivated to study this issue since the SMEs in Barangay Poblacion are a source of survival as they increase income and employment.

Statement of the Problem

This study aimed to assess the profound impact of big establishments base on the perspective of SMEs in Barangay Poblacion, Mandaon, Masbate specifically, this study answered the following questions:

- What is the demographic and operational profile of the respondents in terms of the name of store, status of store, type of store, year of store operation and monthly income?
- What are the impacts of big establishments in SMEs in terms of monthly sales, revenue, customer and pricing?
- What is the significant relationship between big establishment and monthly sales, revenue, customer base, and pricing strategies of SMEs?
- Based on the result of the study, what recommendations can be made to SMEs to enhance their resilience and competitiveness against larger establishments?

Objectives

This paper intends to evaluate the impacts of big establishments in SMEs at Poblacion, Mandaon, Masbate. This study has the following objectives:

- To determine the impacts of big establishments in SMEs in terms of monthly sales, revenue, customer and pricing.
- To identify the significant relationship between big establishments and SMEs.
- To come up with recommendations based on the result of the study.

Assumptions

The study made the following assumptions based on the theories of related studies conducted by other researchers:

Null Assumptions

There is no significant relationship between the big establishments and their impact on the monthly sales, revenue, customers, and

pricing of SMEs in Poblacion, Mandaon, Masbate.

Alternative Assumptions

There is a significant relationship between the big establishments and their impact on the monthly sales, revenue, customers, and pricing of SMEs in Poblacion, Mandaon, Masbate.

Significance of the Study

The main purpose of the study was to assess the profound impacts of big establishments' existence on the SMEs operations in Poblacion, Mandaon, Masbate.

The following will surely benefit from the study's findings and results:

Owner of the SMEs. The owners of the SMEs are the primary beneficiaries of this study. It assists SMEs' owners in determining the impact of big establishments on their businesses. Since big establishments are considered their big-time competitors, through this research, they will be able to come up with ideas on how to make decisions in terms of competition. They will also be able to find out what they are lacking and improve their stores.

Consumer/Community. This study benefits the consumer and community as this research will provide them with information on understanding the influence of big establishments and SMEs on their choices in terms of purchasing goods and how these businesses influence the development of one's economy.

Local Government Unit of Mandaon. The findings of this study can be used to improve SMEs activities in Poblacion, Mandaon, Masbate. It will guide them to the promotion of the municipality's economic condition through implementing various strategies pertaining to the proper approach to the business community.

Researchers. As an economics student, this research will be hugely useful to the researchers. The study helps the researchers enhance their ability to interpret data and seek solutions to problems.

Future Researcher. This research will serve as a basis for a review of related literature. This will also enhance their knowledge regarding the impacts of big establishments on SMEs in Poblacion, Mandaon, Masbate.

Theoretical Framework

The theoretical framework presents the theories that support the topic under study. The study was anchored on the theories such as strategic rivalry theory, Porter's five forces model, and consumer behavior theory.

Strategic rivalry theory emerged in the 1980s and was based on the work of economists Paul Krugman and Kelvin Lancaster. This theory focused on the firm's competitive advantage against other firms in the industry. Competition is one of the important factors between firms and is necessary in order to prosper (Babu, 2018). This theory states that the competition between existing firms has an impact on the day-to-day operations of a firm. Intense rivalry can lead to various consequences, such as a limit on profit, a reduction in the number of customers, and some competitive moves, including price cutting. This theory will contribute to the researchers' understanding of the impacts of big establishments on SMEs. To relate to this present study, we will consider the big establishments as rivals of the SMEs. It is presented that the big establishments have an influence on the operation of the SMEs (LIUPost, 2022).

Porter's five forces model can help firms understand and analyze the competitive environment in the market. Also, this model will help the firms develop a strategy to succeed. This tool was created by Michael Porter. This model emerged in 1979 and has become one of the most popular and highly regarded business strategy tools. There are five forces that represent the key source of competitive pressure within the industry: competitive rivalry, the bargaining power of buyers, the bargaining power of suppliers, the threat of substitution, and the threat of new entry (Porter, 2008). A study by Yoshino & Taghizadeh-Hesary (2016) highlights the challenges faced by SMEs in competitive markets dominated by larger firms, emphasizing the need for strategic adaptations (*vorecol.com*, n.d.; Zainudin, et. al., 2021).

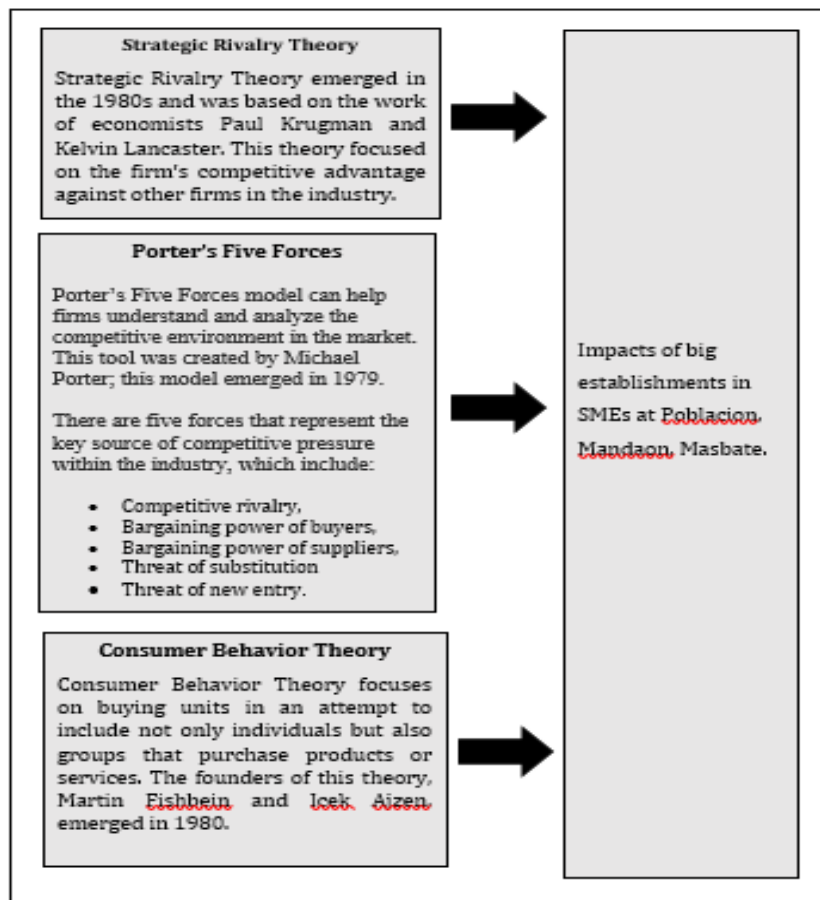


Figure 1. Paradigm of Theoretical Framework

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As Michael Porter explains about the analysis of Porter's Five Forces, it is a model that identifies and analyzes five competitive forces that shape every industry and helps

determine an industry's weaknesses and strengths. The five-force analysis is frequently used to identify an industry's structure and determine corporate strategy. Porter's Model can be applied to any segment of the economy to understand the level of competition within the industry and enhance a company's long-term profitability (Gordon & Williams, 2022). In the context of this study, there is competition between big establishments and SMEs since both businesses influence each other's operations. This study was based on the concept that these five forces determine the competitive intensity and attractiveness of big establishments. Porter's five forces help identify where power lies in a business situation. This is useful both in understanding the strength of an organization's current competitive position and the strength of a position that SMEs may look to move into.

Consumer behavior theory, whose founders were Martin Fishbein and Icek Ajzen, emerged in 1980. It focuses on buying units in

an attempt to include not only individuals but also groups that purchase products or services. Consumer behavior is defined by Schiffman & Kanuk (1997) as "the behavior that consumers display in searching for, purchasing, using, evaluating, and discarding products, services, and ideas." They elaborate on this by explaining that this behavior is the study of how people decide how to spend their available resources (time, money, and effort) on consumption-related items.

Research by Zainudin, et. al., (2021) discusses how consumer preferences are increasingly influenced by the presence of large retailers, further impacting the operational viability of SMEs in emerging markets. The impacts of big establishments on SMEs depend on the decisions and choices made by customers when they purchase. The relevance of the

consumer behaviour theory to the present study is that when the big establishments arrived, consumer behavior changed, and most consumers are now purchasing from the big establishments, which can affect SMEs.

Based on this theory, the behavior of the consumer is based on their attempt to satisfy themselves by obtaining a certain good or service based on different factors. Thus, the theory provides conscious guidance that people in Poblacion, Mandaon, and Masbate will choose big establishments that will affect the monthly sales, revenue, customers, and pricing of SMEs.

Conceptual Framework

This part of the study presents the conceptual flow of determining and measuring the impacts of big establishments in SMEs at Poblacion, Mandaon, and Masbate.

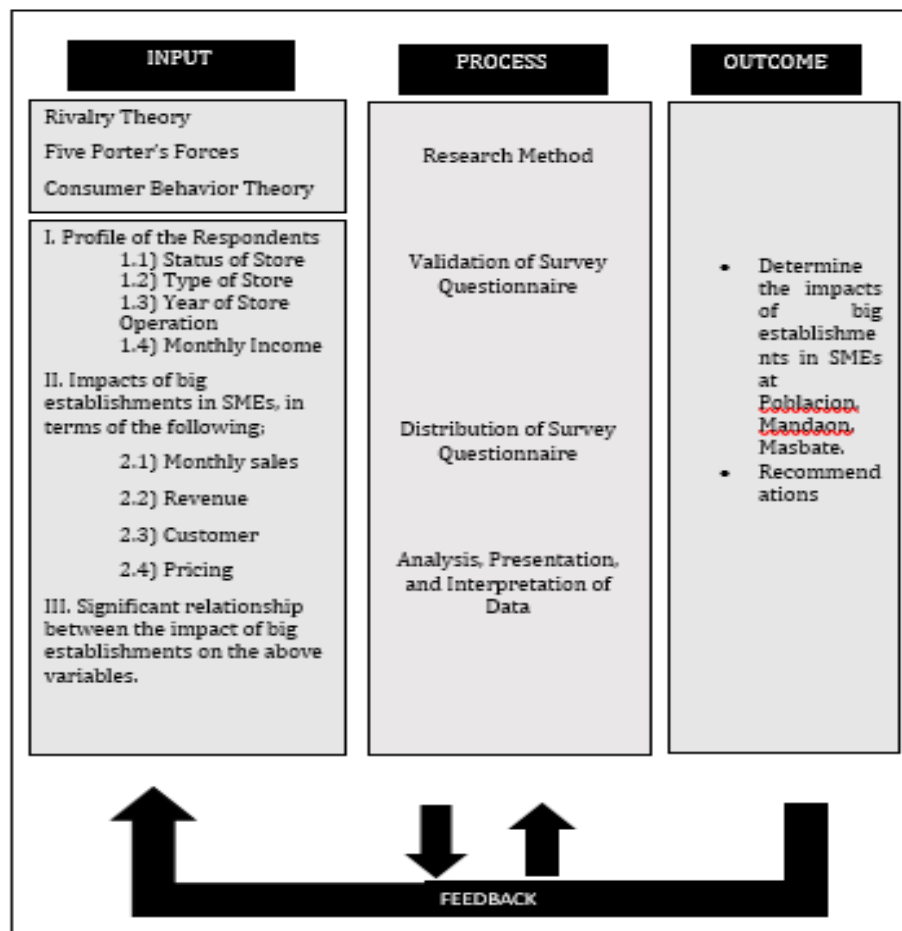


Figure 2. Paradigm of Conceptual Framework

The conceptual framework includes three important elements: input, process, and output. The input includes the following: the profile of the respondents in terms of the status of store, type of store, year of store operation, and monthly income; the impacts of big establishments on SMEs in terms of volume of sales, revenue, customer, and pricing; and the significant relationship of SMEs on the said variables.

The process includes the research method used in the study, the validation of the survey questionnaire, and the distribution of the survey questionnaire to the respondents. After data gathering comes data analysis, presentation, and interpretation.

The output of the study contains the possible outcome of the research for the SMEs, which is to determine the impact of big establishments on SMEs in Poblacion, Mandaon, and Masbate. The feedback provided information that will allow adjustments and improvements to the variables present in the input.

Definition of Terms

Big establishments. Based on the definition of the researcher, it is defined as a big-time competitor of SMEs that is in Poblacion, Mandaon, and offers a wide variety of goods and services to its customers. It is a large business with a wider section than small and medium enterprises. Based on the definition of the Reverse Dictionary (n.d.), the synonym word for big establishment is large establishment. It is a large business or organization occupying a particular building or place.

Customer. It is the consumer who buys goods in SMEs. Marketing Dictionary (n. d.) defines customers as people that have bought products or services during a specified period of time. This provides a measure of how well a firm is attracting and retaining customers.

Entry. It refers to the existence of SMEs and big establishments in the market. According to the Cambridge Dictionary (n. d.), it is the act of entering a place or joining a particular society or organization.

Impact. It is the influence of big establishments in SMEs at Poblacion, Mandaon, in terms of volume of sales, pricing, and number of customers. The power effect that something has on somebody, or something has a positive/a

negative, or adverse impact (Oxford Learners Dictionaries, n. d.).

Sales. It is defined by the researcher as a measure of sales gain by the small and medium enterprises in monthly operation. Furthermore, money paid by clients can be used to define sales. A company's main source of income during a certain period is sales. (Ross, 2021)

Pricing. It is the price of the goods set by the owner of the SMEs. Additionally, the act of determining a value for a good or service is known as pricing in economics and finance. Alternatively put, pricing happens when a company determines the price a client must pay for a good or service (Carlson, 2020).

Status of Store. It is the state of occupying the store, whether the owner of establishments is privately owned or leased.

Small- Medium Enterprises (SMEs). It pertains to a retail store or sari-sari store, wholesale store, and variety store that sells goods and provides services to consumers in Poblacion, Mandaon. In the definition of Liberto (2022), small and midsize enterprises (SMEs) are businesses that maintain revenues, assets, or several employees below a certain threshold. Each country has its own definition of what constitutes a small and midsize enterprise. Certain size criteria must be met, and occasionally, the industry in which the company operates is considered as well.

Review of Related Literature

This chapter reviewed previous studies on the impacts of big establishments, particularly on SMEs. The study was conducted on the theoretical and practical basis of this chapter.

Impacts of Big Establishment on Small and Medium Enterprises

According to a study conducted by other researchers, the entry of big businesses has impacted the performance of smaller businesses. There are some research findings explaining that big establishments affect small and medium enterprises either negatively or positively.

According to Borraz, Dubra, Ferre's, & Zipitria (2014), the presence of supermarkets poses a competitive threat to existing small businesses, reducing their chances of survival.

They discover a distinct impact of supermarket entry on the likelihood of the survival of smaller shops. Depending on the type of store, supermarket entry influences the likelihood of a store's exit. Indeed, depending on the line of business, they find evidence of a differentiated impact of supermarket entry on the survival of smaller shops. Supermarket entry has a greater negative impact on pasta shops. This negative relationship persists, but with lower intensity, in the case of grocery stores, bakeries, and butchers, and they found only minor evidence of a negative effect of supermarket entry on kiosk survival.

Based on the findings of the study of Shanmuganandavadivel (2016), there is an adverse impact of mega malls on the growth and progress of the small retail business trade to some extent in a few types of business activities.

Additionally, in India, the operation of supermarkets has had several negative effects on unorganized retail stores. Reduced sales volume, decreased profit, and involving family members in the business to avoid the ongoing expense of paying employees are the main effects. The number of employees in unorganized retail stores has significantly decreased. The supermarkets' significant decrease in the number of dependable customers has an additional detrimental effect on unorganized retail stores. They mentioned that there has been a decrease in customer base; the class of customers visiting unorganized retail stores decreases day by day. These will cause unorganized retail stores to slowly die. The supermarkets have had no positive effects on the unorganized retail establishments. Unorganized retailers haven't altered anything about their stores. Some of the adjustments they have made are not related to the beginning of supermarkets. (Hamil & Priyadharshini, 2014).

Monthly Sales

Hamilton (2020) stated that any business, large or small, should try to increase sales volume since continuous growth in sales is the only way to survive in the market. To accomplish this, a company may introduce new products, promote them through enticing marketing campaigns, offer discounts, and simplify

payment options. Any company that consistently fails to meet its sales targets may be forced to cut back on operations or shut down entirely. As a result, it is critical for any business experiencing sales difficulties to quickly identify and correct any factors affecting sales. The market position of the competitors' products is critical in determining the sales of a specific business' product. If the competitor has a well-known brand with a sizable market share, its presence may have a negative impact on the sales of the rival's product.

In the study of Atham (2011), the researcher explored the possible impacts of supermarkets on the volume of sales of small retailers. Modernization can be the reason why buyers want to explore or change their place of purchase. As a result of the study, before the opening of supermarkets in the vicinity of small retailers, the majority (35%) of small retailers had high sales volumes; however, after the opening of the supermarkets, it was assumed that the majority of small retailers had a reduced sales volume. According to his findings, it means that the emergence of supermarkets has had an impact on small retailers, but not on all types of small retailers.

Mathews (2018) observed that the commencement of shopping malls reduces the volume of sales at small retail outlets. The study reveals that malls have an adverse impact on the sales of the respondent shopkeepers.

Moreover, Cantuba, Carbo, Jumauary, & Paclibar (2015) also discovered that the impact of mall establishments on the sales of micro-business enterprises is moderately affected in terms of order size (volume) of existing clients, sales quota, rate of discount, and consignment in the sale of micro-business companies. Overall, based on the data analysis, it is affected in terms of expected monthly sales as well as the sales of micro-business enterprises in terms of estimated monthly profit.

The impact of big establishments is summarized in the study of De Villa, Banaera, & Agaran (2022), who found that some of the respondents moderately agreed that monthly gross sales have decreased since the existence of Waltermart Supermarket. Furthermore, sales quotas decreased based on the analysis of the

study. The existence of large retailers truly affects the sales of small retailers in the vicinity.

Revenue

A decrease in sales volume may naturally reduce a business's profit volume. However, small retailers may increase their profit margins to compensate for the loss of income. The impact of supermarkets on the profit volume of small retailers has been attempted. Almost all retailers have seen a significant decrease in profit volume since the opening of supermarkets in their area. According to the study's findings, 14% of respondents had a profit volume of more than Rs. 25,000 prior to the introduction of supermarkets, but only 10% of respondents could obtain this profit margin after the introduction of supermarkets. Similarly, prior to the establishment of supermarkets, 33% of respondents had a profit volume of Rs. 20,001 to Rs. 25,000, but after the establishment of supermarkets, only 18% of respondents could obtain this profit margin. Before opening a supermarket near their shop, 37% of respondents had a profit volume between Rs. 15,001 and Rs. 20,000, but after opening a supermarket nearby, only 27% of the total respondents had this profit volume. (Atham, 2011).

According to the statement of Basu (2023), the expansion of large corporations may reduce the profitability of small businesses. To increase their market share in new markets, large companies can employ more product designers and marketing specialists. Small businesses typically lack comparable resources, which puts them at a competitive disadvantage

Customer

In the study of Atham, (2011), it was concluded that the impact of supermarkets on the customer base of small retailers in terms of customer numbers is that each business entity will have its own set of customers. According to recent studies, supermarkets replace traditional retail outlets. As a result, the upper class prefers supermarkets as their place of purchase, and they take pride in purchasing commodities from supermarkets. Their study attempted to identify the types of shoppers before and after the establishment of supermarkets in the study area.

Based on the conclusion of Akhtar & Shahid (n.d.), the local neighborhood shops still have a price advantage over big-box supermarkets, particularly when it comes to fruit and vegetable markets. Very few customers choose to purchase fresh food goods at supermarkets, according to customer feedback and this observation. However, supermarkets provide small shops with important advantages over them, such as one-stop shopping, which customers highly value. The survey's findings are consequently contradictory. Customers still favor neighborhood stores for fresh food items, while supermarkets are preferred for the majority of other goods. Furthermore, the preceding data on the broad geographic distribution of supermarket patrons is not good news for nearby Kiryana retailers. Researchers think it alludes to the growing rivalry between local shops and supermarkets, and as a result, the latter's growth and prominence, together with consumer demands, are causing the former's space to become more and more constrained

Pricing

Pricing is the method used by a company to determine the selling prices of its products and services. The price is normally determined by cost elements as well as the consumer's perception of the value of the goods or services in comparison to those of competing firms, goods, or services. The article investigates the factors that small and medium-sized enterprises (SMEs) consider when developing pricing strategies (Gartenstein, 2019).

The majority of respondents spend time and effort staying informed about their competitors' prices as well as changes in inflation and fuel prices. Although they use the competitor's prices as a guideline when setting their own, the majority of them do not lower or match the competition's prices. The same number of respondents agreed and disagreed on interest rate changes and taking them into account when setting product prices. When asked whether customers influence the setting of product prices, respondents indicated that the majority of them will consider the benefits that customers will receive from using the product, the strength of the customer relationship, and

positive feedback about the products or services when setting product prices. The majority of the respondents are of the opinion that customers' needs, where they live, negative product or service reviews, and how much they make do not have a big influence on setting product prices. Most of the respondent's product prices are influenced by the performance of the products, with a higher-quality product being priced higher (Cant, Wild & Sephano, 2016).

The review of the related literature provided above shows that more studies have been done on the impact of big establishments on SMEs. Most of the studies have indicated that there is a possible impact on SMEs. As a researcher, one should raise a question about the prudence of this view. But the concept's applicability to small and medium enterprises has yet to be investigated. Due to this fact, this research attempt has been made to measure the impact of big establishments on SMEs.

V The researchers believed that all of the literature and studies cited in this research were relevant to the current study. They relate and differentiate the research based on the flow of the analysis in the proposed study. There is one thing that the previously mentioned literature and studies have in common: The significance of SMEs in our country's economic growth. All of the related studies place an emphasis on SMEs rather than big establishments because the researchers believe that small and medium-sized businesses contribute significantly in many ways, such as providing employment, serving as a source of income, supplying basic goods to the community, and so on.

In the Philippines, the big establishments have already emerged. We cannot deny that customers would prefer to shop at a store where everyone feels at ease. It is also undeniable that Filipinos are price-conscious. They prefer higher-quality, less-expensive goods. When it comes to purchasing goods, Filipino culture differs from other countries. Filipinos prefer to shop where they can get discounts or extra items, which is not permitted in large establishments. Competition is always present in businesses, and the researcher believes that competition will lead to economic growth and community development.

Methodology

This chapter presents a discussion of the study's research design, sample and sampling techniques, respondents, instrumentation, data gathering procedure, and statistical tools. This study was to determine the impacts of big establishments on SMEs in Barangay Poblacion, Mandaon, Masbate.

Research Design

This study utilized the descriptive method of research since it determined the impacts of big establishments on SMEs in Poblacion, Mandaon, Masbate. A descriptive research design is a type of research that seeks information in order to describe a phenomenon, situation, or population in a systematic manner. This research design is also intended for determining and understanding of the demographics (i.e., age, sex, and income), description and discernment of the linkages between variables, and pointing out issues within a population. It is a type of observational study that utilizes different methods – surveys, interviews and questionnaires in this case – to gather and make sense of the data. It is specifically assisted in answering the what, when, and how questions about the research problem, rather than the why (Voxco, 2021) or in other words, it captures the current situation without explaining causal relationships.

In this particular study that uses the descriptive research design, the researcher conducted a survey method via questionnaire to gather data and determine the impacts of big establishments on SMEs. This approach allows quantitative data collection and analysis of trends, enabling researchers to draw meaningful conclusions from findings. Spot patterns, and offer information for business strategies and policy choices. Because they guarantee objectivity and factual support, quantitative research is appropriate for analyzing intricate connections between big organizations and small and medium-sized enterprises. Quantitative research is the process of collecting and analyzing numerical data. Quantitative research methods will be used in this study as they are effective for measuring variables and analyzing numerical data. It can be used to discover patterns and averages, make predictions, test

causal relationships, and generalize results to larger populations (Bhandari, 2022).

Sample and Sampling Techniques

The study was conducted in Poblacion, Mandaon, and the participants were SMEs chosen purposively by the researchers to make sure they were suitable for the study. There are 50 respondents who have been chosen to help with data collection and chosen through the judgment and observation of the researchers since they are the most suitable for the information needed in the study, which is based on their availability and willingness.

The purposive sampling design was used in this study because it allowed the researchers to

intentionally select the participants. This sampling refers to a group of non-probability sampling techniques in which units are chosen based on specific traits that are needed in the sample. In other words, units are selected "on purpose" in purposive sampling. Also called "judgmental sampling," this sampling method relies on the researcher's judgment when identifying and selecting the individuals, cases, or events that can provide the best information to achieve the study's objectives (Nikolopoulou,2022). This ensures that the sample is suited to the needs of the research. Statistical measurement to determine the sample size is not required in this kind of sampling.

Table 1. Distribution of respondents of the study

| Respondents | Type of Store | Sample |
|---|--|--------------------|
| Small and Medium Enterprises (SMEs) Owner | Sari-sari store/convenience store, wholesale and retail store, variety store(tiangge), industrial store, palengke vendor | Purposive Sampling |

Respondents

Respondents in the study were the SMEs in Poblacion, Mandaon, Masbate, allowing the researcher to assess the impacts of big establishments on the operation of the businesses. The respondents were chosen through a purposive

sampling design. Sari-sari store/convention store, wholesale and retail store, variety store (tiangge), industrial store, and palengke vendor were the most common types of small and medium enterprises at Poblacion, Mandaon, Masbate.

Table 2. The selection of respondents

| Type of Store | Business Scale | | No. of Respondents SMEs |
|-----------------------------------|----------------|-----------|-------------------------|
| | Small | Medium | |
| Sari-sari Store/Convenience Store | 9 | 8 | 17 |
| Wholesale and retail Store | 0 | 9 | 9 |
| Variety Store (Tiangge) | 13 | 4 | 17 |
| Industrial Store | 0 | 1 | 1 |
| Palengke Vendor | 4 | 2 | 6 |
| Total | 26 | 25 | 50 |

Instrumentation

Interviews and focus groups can provide rich qualitative data, but they pose a variety of challenges when it comes to practicality, ethical considerations, and methodological challenges; hence, they have been ruled out. Instead, in this study, questionnaires were used as they provide efficiency, are cost-effective, are

standardized, protect anonymity, and secure easy analysis of data.

The data from the aforementioned situation and problem was gathered using a self-made Likert-scale questionnaire which was then evaluated by reliability testing using SPSS statistics. Cronbach's Alpha, which measures internal consistency and correlation between the test items, was employed. The main purpose

for using this is to determine the Alpha value of the items. A high alpha value suggests that the majority of the total variability are accounted by interconnected questions.

To determine the Cronbach's Alpha value, the following formula was used:

$$\alpha = \left(\frac{a}{a-1} \right) \left(1 - \frac{a}{a+2b} \right)$$

Where:

α: is Cronbach's alpha

a: is the number of items

b: is the sum of the off-diagonal correlations

The reliability statistics show that the Cronbach's Alpha value for the scale is .987, and the scale comprises a total of 20 items. In essence, the high Cronbach's Alpha value of .987 suggests very strong internal consistency among the items in the scale. This indicates that the items in the scale are highly correlated with each other, suggesting a high degree of reliability in measuring the underlying construct.

Researchers commonly consider a Cronbach's Alpha value above .70 as acceptable, and a value of .987 indicates a very robust internal consistency within this scale.

This type of questionnaire was utilized by the researcher since it can be used to measure participant attitudes and perspectives regarding the topic at hand. The researchers believed that this questionnaire would help them to understand and interpret the responses of the respondents easily and conveniently in formulating conclusions, results, and discussions from the responses of the respondents.

The content of the questionnaire was based on the issues that were discussed in the statement of the problem. Major parts of the questionnaire include Part I provides data on the profile of the SMEs. Part II deals with the level of impact of big establishments in SMEs in terms of monthly sales, revenue, pricing, and customers. Additionally, open-ended questions which can also be considered interview questions were added to gain deeper insights.

Table 3. Likert Scale for the impact of big establishments in SMEs

| Mean | Mean Range | Verbal Interpretation |
|------|------------|-----------------------|
| 5 | 4.21-5.00 | Highly Affected |
| 4 | 3.41-4.20 | Affected |
| 3 | 2.61-3.40 | Moderately Affected |
| 2 | 1.81-2.60 | Less Affected |
| 1 | 1.00-1.80 | Not Affected |

Data Gathering Procedure

The researchers followed ethical guidelines and adhered to the provisions of the Data Privacy Act during the collection of data for the study. In order to conduct the research, the consent of the participants was required. The researchers explained the study to the participants and reassured them that the data they collected would be kept confidential. The researcher would set up a specific schedule for respondents to the questionnaire based on their availability and preferred times. The researchers personally visit the target location to hand out survey forms to participants. The completed questionnaires were used as study data and as the foundation for analysis and interpretation.

Statistical Tools

The information gathered was compiled, analyzed, and presented in tables. The statistical tools listed below were used in the analysis, and evaluation of data.

Percentage

This tool was used to present the findings on the profile of the SMEs.

Weighted Mean

$$\bar{x} = \frac{\sum F \cdot X}{N}$$

This tool was used to describe the level of impact of big establishments in SMEs at Poblacion, Mandaon, Masbate.

Where:
 \bar{x} = weighted mean
 Σ = summation
 X=value of the responses
 F = number of items occurs
 N = response

Table 4. Weighted Mean Interpretation

| Variables | Significance | Interpretation |
|--|--------------|--------------------------------|
| There is no significant relationship between big establishment and the monthly sales, revenue, pricing, and customers of SMEs. | <0.05 | Reject null assumptions |
| There is significant relationship between big establishment and the monthly sales, revenue, pricing, and customers of SMEs. | >0.05 | Accept alternative assumptions |

Standard Deviation

This tool was used to measure variation of responses on the impact of big establishments in SMEs at Poblacion, Mandaon, Masbate.

$$S = \sqrt{\sum \frac{(x-\bar{x})^2}{N-1}}$$

Where:
 S = standard deviation
 X = each value in the sample
 \bar{x} = mean value of the sample
 Σ = summation
 N-1 = number of value

Multivariate Regression Analysis

This tool was used to describe the significant relationship between SMEs variables such as monthly sales, revenue, pricing, and customers which was affected by big establishments. The study used multivariate analysis since the dependent variable is more than one and only one independent variable. The study used the STATA application for the regression analysis

Table 5. Significant relationship of variables

| Value | Result | Interpretation |
|-----------|-----------|---------------------|
| 4.21-5.00 | Always | Highly Affected |
| 3.41-4.20 | Often | Affected |
| 2.61-3.40 | Sometimes | Moderately Affected |
| 1.81-2.60 | Rarely | Less Affected |
| 1.00-1.80 | Never | Not Affected |

Cronbach's Alpha

This statistical tool was used to test the reliability of the survey instrument, and it was evaluated with SPSS statistics since the researcher utilized the self-made Likert-scale questionnaire.

The statistical treatments and data analysis methods used in this study have provided a framework for analyzing the impact of large establishments on SMEs. Despite their efficiency, it is important to recognize that they have limitations, too. It is crucial to discuss these limitations in research reporting to maintain transparency and inform future studies. Researchers must exercise caution in

interpreting the results, acknowledging their existing limitations.

A more robust discussion of the limitations associated with the specific methods reveal that weighted mean, standard deviation, multivariate regression analysis, and Cronbach's Alpha in analyzing data reveal that: weighted means can be arbitrary and may not accurately represent the true importance of each response category; standard deviation provides information about the spread of responses but does not convey the direction or nature of the responses; multivariate regression analysis can identify relationships but does not imply causation, and the choice of variables and model

specifications significantly affects outcomes; and, Cronbach's Alpha may not always be appropriate for all research contexts and may introduce bias if participants feel pressured to provide socially desirable responses.

Ethical Consideration

Before being accepted into the study, participants were given a consent form. Prior to collecting data, the respondents' business organizations and the college were asked for approval. The researchers considered this set of principles when conducting the study. These ethical considerations are the principles that protect morality and guide researchers when they conduct research; they keep researchers accountable, thus ensuring proper use of funds and the avoidance of research misconduct. So, these ethical considerations in research guarantee that the public can trust the research (Mazumdar, 2022).

The researchers explained the research to the participants before obtaining their consent. The participants made their own choice in accepting and participating in the study, as they were informed of the risks and benefits of the research. The researchers were assured that the information gathered was for academic purposes only.

Results and Discussion

This chapter presents the data gathered through a self-made survey questionnaire, the results of the statistical analysis done, and the interpretation of the findings. These are presented in tables following the sequence of the specific research problem about the impacts of big establishments on SMEs in Poblacion, Mandaon, Masbate.

Table 6. Classification of Business Scale

| Business Scale | F | % |
|-----------------------|-----------|-------------|
| Small | 26 | 52% |
| Medium | 24 | 48% |
| Total | 50 | 100% |

Table 6 presents the classification of the business scale. Based on the table, small enterprises got the highest frequency of 26 with a percentage of 52, while medium enterprises got the lowest frequency of 24 with a percentage of 48. The business scale of SMEs was classified by the business and licensing office of the municipality in Mandaon.

Profiles of Small and Medium Enterprises (SMEs)

The first part of the research problem focused on the profile of SMEs operated in Poblacion, Mandaon, Masbate.

Tables 7.1 to 7.4 present the profile of the SMEs and were tabulated and computed

according to the following: status of store, type of store, year of store operation, and the respondent's monthly income.

Status of Store. Table 7.1 shows the frequency and percentage distribution of the small and medium enterprises according to the status of store.

The findings revealed that seventeen (17) or 34% of the respondents owned the place of the store, while thirty-three (33) or 66% leased the place of the store. In small enterprises, 8 respondents owned the place, and 18 respondents leased the place. In medium enterprises, 9 respondents owned the place and 15 leased it.

Table 7.1 Status of store

| Status of Store | Frequency | Percentage | Rank |
|------------------------|------------------|-------------------|-------------|
| Owned | 17 | 34% | 2 |
| Leased | 33 | 66% | 1 |
| Total | 50 | 100% | |

Type of Store. Table 7.2 revealed the frequency and percentage distribution of the SMEs according to the type of store.

As shown in the table, eighteen (18) or 36% of the respondents have a sari-sari store; seventeen (17), or 34%, have a variety store that sells different kinds of goods; eight (8) or 16% do wholesale and retailing; six (6) or 12% have a palengke stall; and only one (1) or 2% have an industrial store. Sari-sari store/convenience store, wholesale and retail store, variety store (tiangge), industrial store, and palengke vendor are the most common types of

SMEs that operate in Población, Mandaon, and Masbate. In small enterprises, there are 9 sari-sari stores, 0 wholesale and retail stores, 13 variety stores (tiangge), 0 industrial stores, and 4 palengke vendors. Also, in medium enterprises, there are 9 sari-sari stores, 8 wholesale and retail stores, 4 variety stores (tiangge), 1 industrial store, and 2 palengke vendors.

Year of Store Operation. Table 7.3 revealed the frequency and percentage distribution of the SMEs according to the year of store operation.

Table 7.2 Type of Store

| Type of Store | Frequency | Percentage | Rank |
|----------------------------|-----------|-------------|------|
| Sari-sari Store | 18 | 36% | 1 |
| Wholesale and Retail Store | 8 | 16% | 3 |
| Variety Store (Tiangge) | 17 | 34% | 2 |
| Industrial Store | 1 | 2% | 5 |
| Palengke Vendor | 6 | 12% | 4 |
| Total | 50 | 100% | |

Table 7.3 Year of store operation

| Year Operation | Frequency | Percentage | Rank |
|--------------------|-----------|-------------|------|
| Less than 1 Year | 9 | 18% | 3 |
| 1-5 Year | 19 | 38% | 1 |
| 6-10 Year | 5 | 10% | 4 |
| More than 11 Years | 17 | 34% | 2 |
| Total | 50 | 100% | |

The results gathered showed that nineteen (19) or 38% of respondents operated for the range of 1 to 5 years, with 13 respondents for small enterprises and 6 for medium enterprises; seventeen (17) or 34% operated for the range of more than 11 years; nine (9) or 18% operated for the range of less than 1 year; and five (5) or 10% of the respondents operated for the range within 6 to 10 years; the 3 stores were small enterprises and the other 2 were medium enterprises.

Monthly Income. Table 7.4 revealed the frequency and percentage distribution of the SMEs according to the monthly income of store.

The findings revealed that the highest rank is twenty-six (26) or 52% of respondents who

generate less than Php 10,000 monthly income; nine (9) or 18% gain Php 11,000 to 15,000 monthly income; eight (8) or 16% gain Php 21,000 to 25,000 monthly income; five (5) or 10% gain more than Php 31,000 monthly income; two (2) or 4% of respondents receive Php 16,000 to 20,000 monthly income; and there are no respondents for Php 26,000 to 30,000 monthly income. The 26 or 52% of the respondents who generate monthly income less than P10,000 were small enterprises, and the 24 or 48% of the remaining respondents who generate monthly income of P11,000 above were medium enterprises.

Table 7.4 Monthly income

| Monthly income | Frequency | Percentage | Rank |
|-----------------------|-----------|-------------|------|
| Less than P10,000 | 26 | 52% | 1 |
| Php11,000 – Php15,000 | 9 | 18% | 2 |
| Php16,000 – Php20,000 | 2 | 4% | 5 |
| Php21,000 – Php25,000 | 8 | 16% | 3 |
| Php26,000 – Php30,000 | 0 | 0% | 6 |
| More than Php31,000 | 5 | 10% | 4 |
| Total | 50 | 100% | |

Impact of Big Establishment in Small and Medium Enterprises

The second part of the problem of this study dealt with the impact of big establishments on SMEs in Poblacion, Masbate, Masbate. Tables 8.1 to 8.4 present SMEs' experiences with the impact of big establishments on store operations in terms of monthly sales, revenue, customers, and pricing.

Monthly Sales. Presented in table 8.1 was the impact of big establishments in monthly sales of SMEs at Poblacion, Mandaon, Masbate.

As the table shows, the impact of big establishments on the monthly sales of SMEs with regards to the quality of products sold in comparison to the quality of products sold in big establishments has a corresponding weighted mean of 4.24 and is highly affected. The sales of SMEs with regards to the customer's preference and

taste, who prefer to buy in big establishments, have a corresponding weighted mean of 4.6 and are affected. SMEs' monthly sales are affected with regards to the competition between SMEs and big establishments, which has a corresponding weighted mean of 4.02. With regards to the operation of big establishments affecting the monthly sales of the store, the marketing strategy used by SMEs in comparison to the marketing strategy used by big establishments affecting the monthly sales of the store has the same corresponding weighted mean of 3.96 and was affected.

It can be gleaned from the table that the monthly sales of the respondents were affected by big establishments, with an overall average weighted mean of 4.05 as reflected. This implies that the existence of those establishments damaged the sales of the small store.

Table 8.1. Impact of big establishments in monthly sales of SMEs

| Monthly Sales | Weighted Mean | Verbal Interpretation | Rank |
|--|---------------|-----------------------|------|
| 1. The big establishments affect the monthly sales of the store. | 3.96 | Affected | 4.5 |
| 2. The customer's preference and taste, who prefer to buy in big establishments affect the monthly sales of the store. | 4.06 | Affected | 2 |
| 3. The marketing strategy used by SMEs in comparison to the marketing strategy used by big establishments affect the monthly sales of the store. | 3.96 | Affected | 4.5 |
| 4. The competition between SMEs and the big establishments affect the monthly sales of the store. | 4.02 | Affected | 3 |
| 5. The quality of SMEs product in comparison with the quality of product in big establishments affect the monthly sales of the store. | 4.24 | Highly Affected | 1 |
| Overall Weighted Mean | 4.05 | Affected | |

According to the study of Atham (2016), researchers explored the possible impacts of supermarkets on the volume of sales of small retailers. As a result of the modernization of the retail format, there are a lot of features to attract purchasers. It can be the reason why buyers want to explore or change their place of purchase. Based on the findings of the study, before the commencement of the supermarket, the majority of the small retailers had a high

volume of sales, but after the commencement of the supermarket, the volume of sales of the small retailers decreased. It is clear from the analysis of the study that the volume of sales of small retailers was affected due to the existence of the big establishments.

Revenue. Presented in table 8.2 was the impact of big establishments in terms of revenue in SMEs at Poblacion, Mandaon, Masbate.

Table 8.2. Impact of big establishments in revenue of SMEs

| Revenue | Weighted Mean | Verbal Interpretation | Rank |
|---|---------------|-----------------------|------|
| 1. The impact of big establishments causes a decrease in revenue of the store. | 4.16 | Affected | 3.5 |
| 2. The revenue of the store increases when big establishments came. | 4.14 | Affected | 5 |
| 3. The big establishments marketing strategies affect the revenue of the store. | 4.16 | Affected | 3.5 |
| 4. The productivity of big establishments affects the revenue of the store. | 4.18 | Affected | 2 |
| 5. The aggressive competition affects the revenue of the store. | 4.26 | Highly Affected | 1 |
| Overall Weighted Mean | 4.18 | Affected | |

Table 8.2 displays the impact of big establishments on the revenue of SMEs in the face of aggressive competition, with a corresponding weighted mean of 4.26, indicating that SMEs are highly affected. SMEs were affected by the productivity of big establishments, with a composite mean of 4.18. The impact of big establishments decreases the store's revenue, and marketing strategies affect the store's revenue with a corresponding weighted mean of 4.16. The store's revenue does not increase when a big establishment arrives because they are affected and have a corresponding weighted mean of 4.14.

It can be noted in the table that the revenue of the respondents was affected by big establishments, with an overall average weighted mean of 4.18 as reflected. This implies that the existence of those establishments affected the revenue of the small store.

According to the results of a research study, investigating the impact of shopping malls on small retail outlets in Kollam City, Kerala,

shopping malls have a negative influence on small retail outlets. Since shopping centers use a variety of tactics to attract shoppers, which is an important factor in increasing revenue, the net profits of small businesses have decreased since the development of malls. Sometimes they don't have enough income to provide for their needs and to develop the business. Around 50% of small business owners have seen a significant reduction in their savings after the emergence of big establishments. Consequently, the study findings concluded that the operation of surrounding small retail stores in Kollam City is negatively impacted by the presence of shopping malls, and the perspectives of the small retailers support this conclusion that there is an adverse impact on the operation of their business (Mathew, 2018).

Customer. Presented in table 8.3 was the impact of big establishments in terms of Customers in SMEs at Poblacion, Mandaon, Masbate.

Table 8.3. Impact of big establishments in customers of SMEs

| Customer | Weighted Mean | Verbal Interpretation | Rank |
|--|---------------|------------------------|------|
| 1. The operation of big establishments influenced the customer base of the SMEs. | 4.38 | Highly Affected | 1.5 |
| 2. The customer satisfaction that is being provided by big establishments influences the number of the customer. | 4.22 | Highly Affected | 5 |
| 3. The price offered in big establishments influenced the numbers of customer of the SMEs. | 4.28 | Highly Affected | 4 |
| 4. The ambiance/environment of big establishments affects the number of customers of SMEs. | 4.36 | Highly Affected | 3 |
| 5. The discounted products/items offer in big establishments influence the number of costumers of SMEs. | 4.38 | Highly Affected | 1.5 |
| Overall Weighted Mean | 4.42 | Highly Affected | |

The impact of big establishments on the customers of SMEs with regards to the customer base and the discounted products and items offered in big establishments highly affected the number of customers of SMEs by a corresponding weighted mean of 4.38. The SMEs were highly affected in terms of the ambiance and environment of big establishments and had a corresponding weighted mean of 4.36. With regards to the prices offered in big establishments, the numbers of customers in SMEs are highly affected and have a corresponding weighted mean of 4.28. The customer satisfaction that is being provided by big establishments highly affects SMEs with a corresponding weighted mean of 4.22.

It was also stated in the table that the customers of the respondents were highly affected by big establishments, with an overall average weighted mean of 4. This implies that the existence of those establishments influenced the number of customers for SMEs.

Every business entity has its own range of customers. Upper-class customers prefer to shop at supermarkets since these establishments provide a higher quality of service than traditional small retailers. As a result of the study, the data shows that there is a clear sign of a reduction in the number of customers visiting small retailer entities due to the upper and middle classes of shoppers who chose supermarkets as their place of purchase and take

pride in buying commodities in big and cozy shopping centers (Atham, 2016).

Pricing. Presented in table 8.4 was the impact of big establishments in terms of pricing in SMEs at Poblacion, Mandaon, Masbate.

The impact of big establishments on pricing in SMEs is shown in Table 5.4. The pricing of the SMEs in terms of the customer perception of big establishments was affected and has a corresponding weighted mean of 4.16. With regard to the competition, the pricing of SMEs was affected and has a corresponding weighted mean of 4.13. SMEs' pricing was affected by the prices offered in big establishments and has a corresponding weighted mean of 4.08. The branded products sold in big establishments affected the pricing of the SMEs, with a corresponding weighted mean of 4.04. The pricing of the SMEs is affected by the demand for the big establishment's product or good and has a corresponding weighted mean of 4.1. Finally, it can be revealed in the table that the pricing of the SMEs was affected by the operation of the big establishments, with an overall average weighted mean of 4.01. This implies that the existence of those establishments influenced the small store pricing.

Based on the principles of marketing, competitors are one of the factors that affect competitors' pricing decisions. The competitor's price on their products will have a tremendous effect on pricing decisions. If the consumer wanted to buy a certain pair of shoes, but the

price was 30% less at one store than the other, what do you think the buyer would do? Because companies want to establish and maintain loyal customers, they will often match their competitors' prices. There are some stores that will give you an extra discount. Similarly, if one company offers customers free shipping, the

customers might discover other companies will, too.

With so many products sold online, consumers can compare the prices of many merchants before making a purchase decision. In product pricing, businesses consider the price of the competitor.

Table 8.4. Impact of big establishments in pricing of SMEs

| Pricing | Weighted Mean | Verbal Interpretation | Rank |
|---|---------------|-----------------------|------|
| 1. The price offered in big establishments influenced the pricing of the SME. | 4.08 | Affected | 3 |
| 2. The branded products sold in big establishments influenced the pricing of the SME's. | 4.04 | Affected | 4 |
| 3. The competition between SMEs and big establishments influenced the pricing. | 4.13 | Affected | 2 |
| 4. The customer perception of a big establishments influenced the pricing of the SMEs. | 4.16 | Affected | 1 |
| 5. The demand for Big establishments product/good influenced the pricing of the SMEs. | 4.1 | Affected | 5 |
| Overall Weighted Mean | 4.01 | Affected | |

Significant relationship between the impacts of big establishment on the above variables

The third problem of this study dealt on the significant relationship between the impacts of big establishment on the SMEs in terms of monthly sales, revenue, customer and pricing.

The basic features of the data set are found in Table 9.1. Based on the table, the dataset has 50 observations on five variables, the mean

impact of big establishments on SMEs' monthly sales is 4.02, the mean for respondents' revenue is 4.164, the mean for SMEs' customers is 4.28, the mean for SMEs' pricing is 4.116, and the mean of the impact of big establishment is 4.147, which means that the existing establishments influence the status of the SMEs at Poblacion, Mandaon, Masbate. The standard deviation indicates the difference between variables in the mean range.

Table 9.1. Table of Descriptive

| Variable | Observation | Mean | Std. Dev. | Min | Max |
|-------------------|-------------|-------|-----------|-----|-----|
| Monthly Sales | 50 | 4.02 | 1.385788 | 1 | 5 |
| Revenue | 50 | 4.164 | 1.309114 | 1 | 5 |
| Customers | 50 | 4.28 | 1.16128 | 1 | 5 |
| Pricing | 50 | 4.116 | 1.309363 | 1 | 5 |
| Big Establishment | 50 | 4.147 | 1.280761 | 1 | 5 |

Based on the descriptive table, there is a small standard deviation in monthly sales (1.385788), revenue (1.309114), customer (1.16128), pricing (1.309363), and big establishment (1.309363), which means that the values in the statistical data set were close to the mean of the data set. The minimum range of the

data is 1 (never/not affected), which pertains to the lowest level of impact of big establishments in SMEs, and the maximum range of the data is 5 (always/highly affected), which also pertains to the highest level of impact of big establishments in SMEs.

Table 9.2. Regression Result

| Variables | Coef. | Std. Err. | T | P> t | 95% Conf. | Interval |
|------------------------------------|----------|-----------|-------|-------|-----------|----------|
| Monthly Sales Big Establishment | 1.072358 | .0208065 | 51.54 | 0.000 | 1.030524 | 1.114193 |
| Revenue Big Establishment | 1.017512 | .0140205 | 72.57 | 0.000 | .9893218 | 1.045702 |
| Customers Big Establishment | .8948077 | .0211367 | 42.33 | 0.000 | .8523095 | .9373058 |
| Pricing Big Establishment | 1.01904 | .0118341 | 86.11 | 0.000 | .9952455 | 1.042834 |

Table 9.2 presents the regression results. The statistical data provide evidence of the significant relationship between the impact of big establishments and the monthly sales, revenue, customer base, and pricing of SMEs. The table contains the coefficients, standard errors, test statistics (t), p-values, and 95% confidence interval.

The coefficient of the monthly sales of SMEs and big establishments (1.072358), revenue of SMEs and big establishments (1.017512), customers of SMEs and big establishments (.8948077), and pricing of SMEs and big establishments (1.01904) in the regression result indicates that there is a positive correlation between the dependent and independent variables.

The positive coefficient value for monthly sales suggests that the presence of big establishments has a positive correlation with the monthly sales of SMEs. This may be because big establishments are better equipped to handle economies of scale, which allows them to sell goods and services at a lower price than SMEs. The positive coefficient value for revenue indicates that SMEs may benefit from the presence of big establishments. This may be because big establishments create a more competitive market, which drives innovation and increases demand for products and services. The positive coefficient value for customers suggests that big establishments may attract more customers to the market, which benefits both big and small businesses. However, SMEs may need to differentiate themselves from big establishments to retain customers. The positive coefficient value for pricing indicates that SMEs may benefit from adjusting their pricing strategies

in response to the presence of big establishments. For example, SMEs may need to offer more competitive pricing to remain competitive in the market.

The standard errors between the variables, the monthly sales of SMEs and big establishments (.0208065), the revenue of SMEs and big establishments (.0140205), the customers of SMEs and big establishments (.0211367), and the pricing of SMEs and big establishments (.0118341), are relatively small, indicating that the coefficients are precise and reliable.

The regression result shows that the monthly sales and big establishment, revenue and big establishment, customer and big establishment, and pricing and big establishment are statistically significant because their p-value is equal to 0.00. The P-value between the dependent and independent variables is less than the significance level (0.05); in other words, the data provide enough evidence to reject the null assumptions and accept the alternative assumptions since the regression result reveals that the big establishments and SMEs are statistically significant based on the p-value.

The T-values of each parameter indicate that the impact of big establishments is significant, as the values are higher than the 1.96 critical value at a 95% confidence level. This suggests that there is a strong relationship between the presence of big establishments in the market and the performance of SMEs.

Recommendation based on the results of the study

The fourth problem of this study dealt with what could be the recommendations that may be proposed based on the results of the study.

According to the findings of this study, the commencement of big establishments has created challenges for SMEs in Barangay Poblacion, Mandaon, Masbate in terms of monthly sales, revenue, customers, and pricing. Analysis indicates, in order to get a competitive advantage in the market, researchers will implement these development strategies through a program, designed to minimize the impact of big establishments on sales, revenue, pricing and customer. However, the researcher will propose a capacity building that includes a training program, workshop and mentorship opportunities for SMEs. This initiative is designed to enhance the skills and capabilities of SME owners and employees. Minimizing the influence of big establishments on SME's can be crucial for fostering a competitive and diverse business

environment. Some efforts should be considered by the SMEs which are as follows:

GROW-ME: Generating Revenue Opportunities for Well-Managed Enterprises

GROW-ME is an innovative extension program designed to empower business and organization with the tools and strategies needed to enhance the competitiveness. This program is tailored for well-managed enterprises seeking sustainable growth and increased profitability in today's dynamic and competitive business landscape. It is a strategic initiative that empowers businesses to navigate challenges, unlock new revenue streams, and set the stage for long-term success. This program will focus on the various development strategies that can help on the operation of SME's;



Figure 3. Developmental Strategies

Objectives

- **Market Expansion and Efficient Operations.** Identify new markets for expansion and tailor operations to meet evolving customer demands. Implement strategies such as adjusting working hours to accommodate customer preferences and maximize sales.
- **Product/Service Optimization.** Foster brand loyalty by diversifying product

offerings and enhancing product displays. Focus on product uniqueness and competitive pricing strategies to attract and retain customers.

- **Customer Engagement.** Implement customer relationship management practices to nurture and retain loyal customers. Offer personalized services and incentives to encourage repeat purchases and strengthen customer loyalty.

- **Digital Transformation and Social Media Advertising.** Embrace digital technologies to streamline operations and improve customer experiences. Develop a comprehensive digital marketing strategy, leveraging social media platforms to expand reach and enhance brand visibility.
- **Strategic Partnerships.** Identify potential collaborators and establish strategic partnerships to access new markets and resources. Collaborate with complementary businesses to create mutually beneficial alliances.
- **Data-Driven Decision-Making and Market Research.** Cultivate a data-driven culture within the organization to inform decision-making processes. Conduct market research to gain insights into customer preferences, market trends, and competitor strategies.
- **Financial Management.** Implement sound financial management practices to ensure sustainable growth and optimize resource allocation. Monitor financial performance regularly and adjust strategies accordingly to maintain profitability.
- **Legal Awareness.** Stay informed about relevant laws and regulations to ensure compliance and mitigate legal risks. Seek legal counsel or training to navigate legal complexities and protect the business's interests.
- **Promotions, Discounts, and Social Media Advertising.** Offer promotions, discounts, and incentives to attract customers and stimulate sales. Utilize social media advertising channels to promote products/services and engage with customers effectively.

By focusing on these strategies within the framework of the GROW-ME program, SMEs in Barangay Poblacion, Mandaon, Masbate, can effectively address the challenges posed by big establishments and strengthen their competitive position in the market.

Summary, Conclusions, and Recommendation

This chapter presents the summary of the findings, conclusion, and recommendations of

the study "Impacts of big establishments in SMEs at Poblacion, Mandaon, Masbate".

Summary

Small and medium enterprises are seen as the backbone of any country's economy because they create more opportunities for local communities and generate more income for residents. It contributes to local economic growth by providing employment opportunities to people who need to earn a living by providing basic commodities, keeping money circulating in the economy, and contributing to the local government through taxation. However, it is undeniable that there is always intense competition between large corporations and small and medium-sized enterprises. The advancement of large-scale businesses will harm the operations of small and medium-sized businesses.

The study explored the impacts of big establishments on SMEs in Poblacion, Mandaon, Masbate. The discussion in the summary was based on the sequence of the research problem. The first problem is the profile of small and medium enterprises; the second problem is the impact of big establishments on SMEs; the third is the significant relationship between the impact of big establishments on SMEs' monthly sales, revenue, customers, and pricing; and lastly, the recommendations that might be proposed based on the results of the study.

The first research problem focused on the profile of the respondents and the findings revealed in Tables 7.1 to 7.4 (Chapter 4). In the classification of the business scale, small enterprises got the highest frequency of 26 with a percentage of 52, while medium enterprises got the lowest frequency of 24 with a percentage of 48. In terms of the status of the store, 66% of the respondents leased the place, and the remaining 34% owned the store. In terms of store type, the sari-sari store is the most popular, with 36% of respondents ranking it first. Sari-sari stores are one of the common types of SMEs operating in Poblacion, Mandaon. The highest range of the year of operation of the store is between 1 and 5 years, which is the answer of 36% of the respondents. Furthermore, it is revealed in the findings that 52% of the

respondents said that they generate less than PHP 10,000 in monthly income.

The second problem have dealt with the impacts of big establishments on SMEs in terms of monthly sales, revenue, customers, and pricing. Based on the result of the study, as seen in the table above, small and medium-sized businesses in Poblacion, Mandaon, Masbate were affected by big establishments. Among the variables, customers received the highest rank, considered to be highly affected by the operation of big establishments, receiving a weighted mean of 4.42, which implies that big establishments influenced the number of customers visiting the small store; revenue was also affected, receiving a weighted mean of 4.18, meaning the store's revenue decreases due to big establishments. Monthly sales were also affected, getting a weighted mean of 4.05, which implies that the existence of big establishments damaged the sales of the small stores and pricing was affected, obtaining a weighted mean of 4.01. A factor could be that the SMEs consider the prices of their competitors when setting the price.

The third problem of the research focused on the significant relationship between the impact of big establishments and SMEs in terms of monthly sales, revenue, customers, and pricing. Based on the regression result, it revealed that there is a significant relationship since the p-value is less than the significance level (0.05); therefore, the data give enough evidence to reject the assumptions. Overall, the big establishment and the monthly sales, revenue, customers, and pricing of SMEs are statistically correlated.

Conclusion

This paper identified the impacts of big establishments in terms of monthly sales, revenue, customers, and pricing of small and medium enterprises at Barangay Poblacion, Mandaon, Masbate. It was concluded from the results of the study that small and medium enterprises were affected by the operations of big establishments. Furthermore, big establishments had an adverse impact on the sales, revenue, customer base, and pricing of small and medium stores. The impact is evident in the store's operations and conditions. The customers of

the store declined, making monthly sales, revenue, and pricing hugely affected solely due to the arrival of big establishments. Specifically, there is a reduction in the number of customers for the SMEs, with most of the customers buying in supermarkets because they are much more satisfied with the goods or products offered by supermarkets compared to SMEs.

There is a huge difference as well in the quality of the goods you can buy from small stores and supermarkets. Big establishments are taking over in influencing the buying behavior of the people. Having said that, it is still a fact that people will always go to small stores to buy common goods in the end. There is a significant relationship between big establishments and small-medium enterprises since it influences the operation of the store.

Recommendations

Implications and Recommendations:

In accordance with the study's findings, the presence of big establishments may somehow someday become the reason for SMEs' exit. The information mentioned above makes it clearly evident that the big establishments' advancements have an impact on retailers. The negative effects of big establishments on SMEs include diminishing monthly sales, declining revenue, fewer customers, and taking competitors' prices into account when setting prices. In order to improve their competitiveness and resilience, SMEs must use proactive measures. Thus, the researcher will recommend the comprehensive capacity-building program offering training programs, workshops, and mentorship opportunities for SMEs.

For in-depth analysis, it is essential to elucidate the extent of competition introduced by large modern establishments, such as supermarkets. Conducting continuous market research through questionnaires, interviews, and customer feedbacks can reveal distinction between the large establishments' pricing, product or service quality, and its clients' preferences to that of SMEs. Having knowledge of these can help SMEs identify then capitalize on their strengths and put more effort in areas that need improvement (e.g. improvement of product quality, enhancement of good customer

service, etc.) so they can compete with the giant businesses.

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The implementation of the "GROW-ME: Generating Revenue Opportunities for Well-Managed Enterprises" program which aims to help organizations and businesses acquire the skills and the right mindset to be ready for the market competition, is an opportunity that every SME owners or managers should take advantage of. It will not only educate its participants about the trivial facts of the business world, it also offers development of practical skills and thinking for lifelong success in the field. Project GROW-ME outlines their objectives for the strategic success of enterprises.

In line with this initiative, future researchers are encouraged to conduct more extensive studies aimed at formulating marketing strategies that empower small business owners to attain their objectives efficiently. Apart from this, SMEs can also participate in other capacity-building programs like mentorship opportunities and workshop training where they can learn about marketing strategies and financial management to succeed. Moreover, employing diverse research methods will be imperative to uncover additional repercussions of prominent establishments on small and medium enterprises (SMEs) and devise effective solutions to address these challenges.

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