

Factors that Contribute to the Sustainability of Micro Enterprises in San Fernando City, Pampanga

Kyle Rhayne D. Caliwag^{1*}, Hannah E. Bermundo², Regina T. Dungca³, Princess T. Galang⁴,
Kathleen Joy M. Manalo⁵, Danica M. Pangilinan⁶

^{1,2,3,4,5,6}Student, College of Business Studies, Don Honorio Ventura State University, Pampanga, Philippines

Abstract— This study examines how micro-enterprises in the City of San Fernando, Pampanga survive. The qualitative, phenomenological study of micro-enterprise owners with more than five years of experience aims to understand the strategies and challenges of maintaining sustainable businesses in the local context. Twelve micro-enterprise owners were purposefully picked for in-depth interviews to reveal their strategies and approaches to business sustainability. Thematic data analysis identified significant links and abstract notions that support these firms' sustainability. The researcher also offered an overview of the factors through a table, then presented the emerging themes of the developed framework for business sustainability; Livelihood, External Factors, Financial Constraints, Management Skills, Adaptability, and Customer Service. The theme LIVELIHOOD emphasizes that micro-enterprise owners start enterprises to support their families, preserve financial stability, uphold traditions, and find personal pleasure through entrepreneurship. The themes FINANCIAL CONSTRAINTS and EXTERNAL FACTORS highlight that micro-enterprise owners confront financial restrictions from revenue declines, price hikes, inflation, and external risks like supplier relationships and uncertain events. The theme of ADAPTABILITY also stresses that modern organizations must embrace new techniques to succeed. The theme CUSTOMER SERVICE, suggests that personalized customer service, and a skilled workforce that can thrive in a dynamic environment are needed to succeed. Finally, the study introduces the BCDGMP Emerging Framework to help micro-companies expand and survive.

Index Terms—Business Sustainability, Micro-enterprises, Pampanga, Philippines.

1. Introduction

Establishing a business can be challenging due to government regulations, effective marketing strategies, and the entrepreneur's operational competence. Positioning the business strategically is crucial to attracting clients and encouraging their loyalty towards the products. (Mangolabanan, 2023). Osotimehin et al. point out that micro-businesses are increasingly acknowledged as global economic development and growth instruments. These enterprises play a substantial role in poverty reduction, stimulate economic growth, and generate employment opportunities. Despite governmental initiatives aimed at supporting and enhancing the capabilities of small and medium-sized enterprises, they encounter obstacles that impede their long-term viability. The

advantages that the country gains from MSMEs emphasize the importance of prioritizing the survival of MSMEs as a critical concern for policymakers. Studies show that financial factors, marketing factors, government and legal factors, inadequate infrastructures, digital factors and the characteristics of the person who manage the business usually determine if the enterprise will be sustainable and will grow (Teka, B.M.). MSMEs are classified by the Department of Trade and Industry (DTI) according to their asset size and staff count. Enterprises are categorized as micro when their assets amount to PHP 3,000,000 or below and employ between one and nine individuals. More than 99 percent of companies registered in the Philippines fall into the category of MSMEs, as reported by the Philippine Statistics Authority (PSA) referenced in the Department of Trade and Industry (DTI) in 2019. According to a statement by Rob Davies, a former RSA Trade Minister, the failure rate of MSMEs in their initial year is approximately 70% (Burger, 2023). This has prompted the researcher to investigate the factors influencing the sustainability of Micro Enterprises in the City of San Fernando, Pampanga. Consequently, this research offers a comprehensive insight into the challenges and opportunities confronting micro-enterprises in the city. The objective of this study is to develop an emerging framework that will allow micro-entrepreneurs and stakeholders to promote business sustainability. Through examining different factors that influences microenterprise sustainability, this research aims to assist in making practical strategies to support the businesses.

2. Theoretical Framework

Resource-Based View Framework highlights and predict the fundamentals of an organization's performance and competitive advantage. The purpose of RBV is to provide additional information about firm resources that can't be easily replicated but have the capability to create a competitive edge in the long run. Resources are the firm's abilities, operations, information and knowledge that an organization has, which are utilized to enhance the company's effectiveness and efficiency (Barney, 1991). This study focuses on the factors that influence the sustainability of micro-enterprises that have operated for more than five (5) years. The RBV Framework highlights the

*Corresponding author: krdecaliwag@gmail.com

necessity of having these resources in achieving competitive advantage. It aims to assist organizations to efficiently use their resources resulting in enhanced profitability and sustainability.

3. Statement of the Problem

Micro-enterprises have encountered a variety of challenges in establishing their presence in the market, finding opportunities, adapting to changes, and maintaining profitability. To understand the sustainability of micro enterprises, this study aims to investigate the following questions:

1. What motivated the micro enterprise owners to establish their businesses?
2. What specific challenges have micro enterprises faced while operating their business?
3. What innovative strategies have these enterprises employed to navigate the complexities and sustain their operations successfully?
4. Based on the findings, what emerging framework can be developed from this study?

By addressing these questions, this study will provide valuable insights into the lived experiences of micro enterprises, shedding light on the factors that contribute to sustainability, the challenges they face, and the innovative strategies they employ to achieve sustainability. The findings of this study can inform policy decisions and support initiatives aimed at fostering the sustainability and growth of micro enterprises in the face of future disruptions.

4. Significance of the Study

The findings of this research study are anticipated to be of benefit to the following entities among others;

Micro businesses owner. This research study will be useful to micro-enterprise owners because it will give them strategies and information that will help them sustain their business.

Policymakers and Development Agencies. This study can be used as a guidance for policymakers and development agencies on how they can support the development of one community by figuring out the factors that affect the MSMEs sustainability.

New Entrants Business. This research will furnish them with insights into how they can ensure the sustainability of their business during times of crisis.

Future Researchers, Researchers and Academicians. This study will be a data source for related study in the future.

5. Scope and Delimitation

This qualitative research will focus on studying the sustainability of micro enterprises who are operating more than five (5) years. Twelve (12) microbusiness owners will be the sample size used for the study. The study will utilize in-depth interviews to accumulate valuable insights into the experiences and struggles of these individuals for the overall well-being of the region. Several limitations will be applied and focus exclusively on in-depth interviews and thematic analysis; the geographic scope of this study will be restricted to the City of San Fernando, Pampanga. Therefore, the findings are

contextualized in this town, making it inappropriate to generalize to other places.

6. Definition of Terms

The terms that will be used in this study were defined conceptually and operationally to facilitate better understanding of the study.

Microenterprises. Barczyk, Husain and Green (2017) define a "Micro Enterprise" as an organization engaged in the creation of products or the provision of services for profit that employs 10 or fewer employees. For the purpose of this research, Microenterprise will be defined as an organization with number employees/partners as ten or less also.

Sustainability. Sustainability in business refers to maintaining a stable operating environment through continual growth, development, and strategic planning to ensure longevity and continuity. It heavily relies on implementing innovative production methods and mastering technological advancements. According to Agri et al. (2018), young entrepreneurs can effectively compete with established industry players across all business sizes by leveraging innovation and technological expertise. In this study, sustainability will refer to the consistent good business condition. It will refer to the continuous existence of the business, its growth, and development.

7. Acronyms

MSMEs – Micro, Small, and Medium Enterprises
 CSFP – City of San Fernando Pampanga
 RBV – Resource Based View
 GDP - Gross Domestic Product

8. Research Design

The study was a qualitative research study in which the researchers used the Phenomenological approach to gain a depth understanding of the sustainability of micro enterprise owners around San Fernando, Pampanga. The design primarily focused on the micro enterprise owners' experiences and how they managed to achieve sustainability in their business. By means of this, they share the hindrances they have to go through and also the strategies they utilize to supervise a sustainable business. This method assisted the researchers to acknowledge the value of distinctive experiences while also recognizing the whole meaning of the shared individual experiences. The researchers were able to collect concise and comprehensive descriptions of the research study through these in-depth interviews.

9. Participants

The participants of the study comprised micro-business owners in the Municipality of San Fernando, Pampanga, who had been operating for more than five (5) years. A total of twelve (12) micro-business owners were purposively selected to participate in this study. The researcher chose this type of research sampling since, according to Clarke & Braun (2016), a sample size of at least twelve (12) is recommended for a

qualitative study to reach data saturation.

10. Instruments

The primary data source in this study was a guide interview. Specifically, the researcher conducted semi-structured interviews with the participants to gather information. This type of interview facilitated the generation of qualitative data through the use of open-ended questions, enabling the researcher to delve into the experiences and challenges of retail micro-business owners. It is well-suited for collecting qualitative data, which is not numerical data that provides insights into people's thoughts, feelings, and experiences. This information will be used to develop programs and policies to support this important sector of the economy.

11. Data Collection

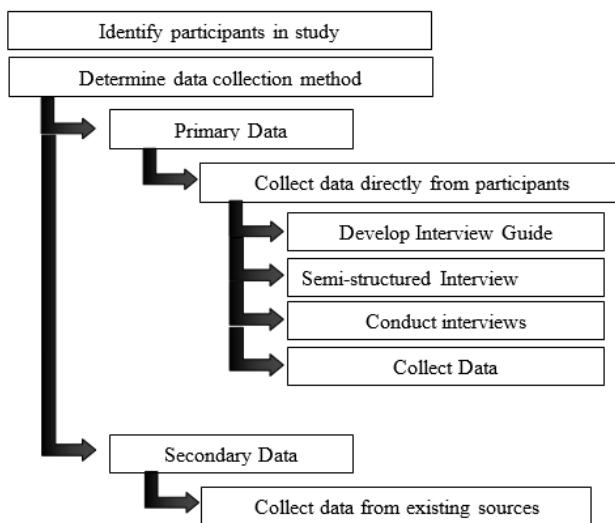


Fig. 1. Data collection process

After identifying the participants in a study, the researchers need to decide what data collection method to use. As Sanders *et al.* (2015) pointed out, there are two data types: secondary and primary. Secondary data is data that other researchers have already collected for another purpose. On the other hand, primary data is data that the researchers collect for a specific purpose (Cooper *et al.*, 2013).

Before conducting the data collection, a letter of request to conduct the study addressed to the Municipality Mayor of San Fernando City of Pampanga will be submitted. The researcher's aim is to explore the firsthand experiences of the retail micro-enterprise owners. This involved conducting semi-structured interviews with the participants. By utilizing an interview guide, the researchers employed the selected data collection method with the business owners. The guide consisted of open-ended questions for the participants, yet the researchers will also have the flexibility to pose follow-up inquiries and explore additional topics based on the participants' responses.

12. Ethical Consideration

The Researchers acquired informed consent from the micro-business owners who took part in the interviews. The objective

of the study, potential risks and benefits of participation, the participants right to withdraw from the study at any time were carefully explained before their participation. In addition, a written consent was given to participants to sign. In order to ensure the confidentiality and anonymity, the researchers took measures to guarantee that personal information would not be disclosed or shared to any third party without their consent. Furthermore, data obtained from the participants would be securely stored and destroyed upon completion of the study. For the participants safety, the researchers made preventive measures to minimize potential harm or risks. During interviews, they remained sensitive to the participants' wellbeing and offered breaks as needed.

The researchers applied strict ethical guidelines, including Informed Consent, Confidentiality, Anonymity, and Participant Safety. By addressing these issues, the researchers are committed to conducting the study in a responsible and ethical manner, ensuring the welfare of all individuals involved.

13. Data Collection

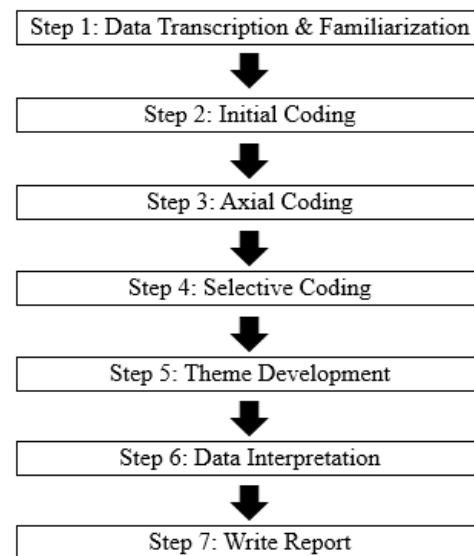


Fig. 2. Data analysis process

The researchers used thematic data analysis to identify and analyze patterns in the data related to the factors contributing to the sustainability of micro-enterprises. Thematic data analysis is a qualitative data analysis method that involves identifying, analyzing, and reporting patterns (themes) within data. It is a flexible and versatile method that can be used to analyze a wide range of data types, including interviews, surveys, and focus groups.

The researchers began the thematic data analysis process by familiarizing themselves with the data. This involved reading through the data multiple times and taking notes on any patterns or themes that they observed. Once they had a good understanding of the data, they began to code the data. This involved assigning labels to segments of the data that represented different themes or concepts. Once the data had been coded, the researchers searched for relationships between the different codes. This involved looking for patterns and

connections between the different themes and concepts. Once they identified the key relationships, they developed themes. Themes were abstract concepts that captured the core meaning of the data. The researchers then reviewed the themes to ensure that they were accurate and comprehensive. They also made sure that the themes were well-supported by the data. Once they were satisfied with the themes, they wrote a report that described the themes and their implications for the sustainability of retail micro-enterprises.

14. Findings and Discussion

A. Micro-Enterprise Owners Motivation in Establishing Business

Understanding the motivations of the entrepreneurs' decisions to start their own businesses offers valuable insights into different aspects of entrepreneurship and the factors influencing entrepreneurial behavior.

1) Livelihood

Livelihood materialized as a motivation among micro-enterprise owners, coming out as the fundamental drive behind the owners' decision to establish businesses. Through analyzing the participants' responses, it becomes evident that the search for economic stability and the attainment of needs was highlighted as the main motivation for entrepreneurship. This theme emphasizes the intrinsic connection between entrepreneurial attempts and the generation of livelihood, emphasizing the important role of small-scale enterprises in bringing up financial security and providing maintenance for individuals and their families.

- *Income*

The qualitative data showcase an emphasis on "income" among micro-enterprise owners, being a primary motivation for establishing their businesses. Having a frequency response of five (5) and a percentage of 41.67%, the importance of income making in financial security is emphasized. With the responses of the participants, it can be noted that there is a pressing need for financial stability as well as the independence which is caused by the challenges in accessing good employment opportunities or in fulfilling the responsibilities in the family. Particularly, participants P01, P03, P06, P09, and P11 indicate their motivations for entrepreneurship as a means to have an income to financially support their families. Their narratives emphasized the significant role of self-employment as a solution to address the basic needs, sustain households, and strived towards economic security. As aligned with the study of Shava & Chinyamurindi (2019), the desire to make money is the key motivator and a crucial factor for people to be involved in entrepreneurial activity. By analyzing the responses of the participants, insights into the multifaceted nature of entrepreneurial motivations and their implications for individuals' socio-economic well-being were developed.

"Of course, as a Livelihood ..." - P01

"Life is difficult, I need money to sustain the needs of my children. That's why I decided to sell clothes ..." - P03

The above-mentioned responses from the participants highlights the direct connection between the necessity for income and the decision to establish a business, giving emphasis to the significant role of entrepreneurship as a solution to economic challenges and fulfilling the responsibilities of an individual to his family.

- *Inheritance*

It can be seen from the responses of the participants that inheritance turned out to be a significant aspect of participants' desire in establishing their own micro-enterprise business. The discussion regarding inheritance was centered on the transmission of assets or wealth from their previous generation up to the present. It can be noted that the responses of participants P02, P05, P08, and P12, which represents 33.33% of the total responses within the theme of livelihood, emphasized its commonness. This highlights the influence of family history and tradition on entrepreneurial desires. This is a phenomenon that is evident across various cultures and economies. As mentioned in the study of Parada (2016), family businesses that account for up to 90% of all forms of enterprise are highly present all over the world.

"This business is from my Lolo, he's the one who established this, we just continued managing it." - P02

"Originally, my grandmother founded this business... and later my mother assumed control." - P12

This result focuses on traditions and responsibility to honor familial culture, preserve entrepreneurial traditions, and sustain the legacy of family businesses. Additionally, inheritance comprises the transmission of entrepreneurial expertise, wisdom and knowledge, and values from parents or grandparents, shaping individuals' entrepreneurial abilities and aspirations.

- *Authority*

The concept of authority has emerged as a powerful motivation representing the desire for autonomy and control over business owners' entrepreneurial endeavors. Garnering a frequency of three participants, which accounts for 25% of the responses within the theme of livelihood, responses regarding authority are significant. This finding echoes with Radipere (2015), who observed that business owners often commence their own entrepreneurial endeavors seeking the heightened freedom and independence that comes with being their own boss. Participants P04, P07, and P10 express a heartfelt sense of empowerment and authority as they navigate the intricacy of managing their own businesses. The participants' narratives emphasize the crucial role of self-determination and independence in shaping livelihoods, emphasizing how the search of authority within their enterprises impacts their overall sense of fulfillment and success.

Table 1
Micro-enterprise owners' motivation in establishing business

Themes	Codes	Participants	Frequency	Percentage
Livelihood	Income	P01, P03, P06, P09, P11	5	41.67%
	Inheritance	P02, P05, P08, P12	4	33.33%
	Authority	P04, P07, P10	3	25.00%

"I have decided to build my own business instead of working for other people..." - P07

"We need to explore and dreamed of managing our own business... We opened our own construction company and at the same time operated a small RTW Shop." - P10

By owning and running their own businesses, the micro-enterprise owners can show that they are in charge and have control over their money. It can be concluded here that business owners make their own decisions based on what they believe in and what they want to achieve in the long run is important. Also, being in charge does not always mean having control; it can also mean being free to come up with new ideas, adapt to changes, and make smart choices when the market is unpredictable.

In conclusion, the qualitative analysis of participants' responses clarifies the different motivations regarding the establishment of micro-enterprises. The key theme of 'Livelihood' emphasizes the significant importance of securing economic stability and meeting basic needs as primary motivators for entrepreneurship.

B. Key Challenges Faced by Micro Enterprises

This analysis classifies certain challenges that micro enterprises encountered in the operation of their business. Two themes emerged from the qualitative data gathered from the response of the participants to further understand the problems and challenges faced by micro enterprises in supervising their business. These key themes are: 'Financial Constraints' and 'External Factor'.

1) Financial Constraints

In accordance with the narrative description given by the owners of micro enterprises during the in-depth interview they encountered several challenges in managing their business. In which financial constraints were pointed out as a significant problem they encountered that affect the profitability and productivity of their business. In line with Xu M., Zhu, Fang Z., L.L. (2017), which carried out a research study on the SMEs stated between 2011 and 2015 on the Shenzhen Stock Exchange, discovered that the financial limitations faced by SMEs had a significant detrimental effect on their business performance.

- *Decrease in Sales*

As they discussed the difficulties, they had in running their businesses, participants shared their insights. It was made clear that one of the financial constraints adversely affecting their business is the decrease in sales. Based on Helfert in Paminto et.al. (2016), the declining of company's value can be affected by several factors and one of which is decrease in sales or in company's revenue. It is also impacted from changes in cashflow from firms' operational activities due to decline in sales. Participants 01 and 03 stated that as a result of the shifts in consumer preferences, their sales have decreased. When

compared to visiting the market, people find it more convenient to purchase goods online. While, Participants 02, 09, and 12 asserted that the decrease in sales was caused by uncertain events such as floods, pandemic, and increased foot traffic in their area, which results in less people purchasing their products. This concluded that majority of the participants experienced decrease in sales due to changes in customers preference, small customer base and some uncertain events which impacted their business.

"With the height of online shopping we experienced a decline in sales ... because people much prefer buying products online." - P01

"... because of the different events happening which causes our sales to decrease"- P02

Majority of the participants emphasized that decrease in sales is one of the major problems they faced in operating their business because other clients chose to purchase things online and the continues changing demands of the customers. As a result of the decrease in sales, they are forced to borrow money from outside sources, such as banks and lending institutions, in order to pay for their ongoing operating costs as well the supplies from the supplier and maintain the operation of their business.

"We have to borrow money from lending companies, because sales are low... So that we can pay the expenses and have funds to continue opening the business". - P02

"The biggest problem is that we have to borrow money to buy inventories" - P07

- *Price*

The second financial constraint which faced by the micro enterprise owners which affect the business to gain profit is the prices of the products. According to (Kotler et al., 2012), high prices in a highly competitive market can lose customers permanently due to the effect of increased pricing. Regarding the change in the market condition, Participant 7 explained that they would like not to raise the price of their goods but they are at a loss for options because the prices they were given were already high. However, Participant 12 countered that it is hard to match the prices of internet retailers because such companies are big suppliers and import goods that are identical to theirs. Based on the statement of the participants it was highlighted that one of the challenges they encountered was having to raise the prices of their products due to ongoing cost increases.

"Even though we don't want to increase our prices, we are left with no choices because our suppliers also increase their prices" - P07

"The online marketplace are mostly major suppliers, the ones who import products similar to us, so it is difficult to compete on price"- P12

Table 2
Key challenges faced by micro enterprises

Themes	Codes	Participants	Frequency	Percentage
Financial Constraint	Decrease in Sale	P01, P02, P03, P05, P08, P09, P12	7	58.33%
	Inflation	P01, P04, P07, P09	4	33.33%
	Price	P04, P07, P12	3	25.00%
External Factors	Uncertain Events	P01, P02, P03, P04, P05, P06, P07, P08, P09, P10, P11, P12	12	100.00%
	Supplier	P04, P06, P07	3	25.00%

- *Inflation*

In the course of the in-depth interview, the participant's further discussion revealed that one of the issues they faced across in running their business was inflation. Inflation drives up business expenses, which typically results in higher product pricing. High level of inflation can cause the price of some goods or raw materials to rise. This can raise production expenses and decrease demand, which can shrink sales and lower business profits (Sanusi & Wiayanti, 2022).

Participant 4 highlighted that they had to add an additional five percent to the item they sold due to the high pricing of products because of inflation. Furthermore, Participant 12 talked about how inflation makes life more difficult since living expenses rise. To illustrate her point, she cited the rise in gasoline prices, which drives up the price of the products they sold. Based on the statements of the participants, they struggled with the ongoing rise in product costs as a result of inflation, and they were forced to raise the prices of the goods they sold to keep up with the situation and avoid suffering additional losses.

"... just like inflation ... prices of products are continuously increasing ... hence we felt the need to increase the price of our products by 5%" - P04

"Because of inflation the cost of living is increasing and the price of gas is increasing... the cost of goods is also increasing."- P09

In conclusion, the stories shared by the participants show that profitability problems make it hard for micro businesses to make revenue and be productive. It is hard for these businesses to handle the funds because sales are decreasing, and they have to raise prices because of inflation and rising costs. These problems hurt the bottom line and mean that loans from banks and other lending institutions are needed to keep operations going. In order to get around these financial problems, you need to plan strategically, control costs, and be ready to act when market conditions change.

2) *External Factors*

Through careful examination of the data gathered from a wide range of microenterprises in various industries, from which it was revealed that the majority of micro enterprise owners have experienced difficulties rooting from uncertain events and supplier relationships. Our analysis shows that microenterprises that do well are very aware of these external factors and carefully use strategies while minimizing risks.

- *Uncertain Events*

With the businesses average age of a decade, they've encountered various natural disasters namely, Typhoons, Floods, Volcanic Eruption, and the pandemic. These scenarios had brought about sudden challenges to the owners and changes to business operations, from temporary closures, limited number of individuals allowed to go outside, casualties, a sudden shift of physical stores to online setting, and a change in market demands. Gunathilaka Samantha (2016) found that natural disasters significantly impact business continuity causing disruptions to their operations. The study finds that SMEs are especially vulnerable to these scenarios in several ways: capital, labor, logistics, and markets. Which caused

sudden drops in revenue and hindered businesses from finding essential manpower, as workers were often directly affected. Participants from various businesses outlined the diverse challenges they encountered during the pandemic and other external adversities. Both Participants 01, and 02 shared experiences of temporary closures attributed to the pandemic and natural disasters such as the Pinatubo eruption and typhoons, which resulted in operational setbacks. In contrast, Participants 03, and 05 embraced online live selling to sustain business.

"During pandemic, that's when our business got really affected ... we were forced to temporarily shut down operations" - P01

"Of course, the natural calamities since the location is prone with floods, and there's a time we've experienced fire... Because of pandemic we weren't able to sell for two (2) months, so we tried selling on online by posting our products through a Facebook Page" - P05

- *Supplier Relationship*

In the modern global business environment, organizations mostly depend on suppliers to deliver the products and services required to meet their operating needs. Thus, maintaining good working relationships with suppliers is crucial to ensuring business success in all sectors of the economy.

Majkenzie Pohl (2023) stressed the vital role of supply chains in the economy, emphasizing that problems in shipping and storage have profound implications for small businesses. These have often resulted in product shortages and increased costs. It shows the broader issue of finding a trustworthy supplier and maintaining good relationship with them. Concerns about suppliers and product supply were problems that participants had to deal with. Participant 04 talked about times when products weren't delivered on time, which was inconvenient for clients. Participant 06 talked about instances when production was held up, which was especially frustrating for customers who placed bulk orders. Participant 07 also said it was hard to get goods and find trusted suppliers, which is another problem that businesses have to deal with.

"... Since the products I sell are handmade, there are times when the supplier can't deliver the products on the agreed time" - P06

"... we experienced difficulty in finding trustworthy suppliers" - P07

Overall, microbusinesses face big problems that pose significant challenges to the sustainability of microenterprises. These problems come from outside sources like fortuitous events and relationships with suppliers. Micro Business owners can lower their risks and make their businesses more resilient to outside problems by being proactive and having a more comprehensive range of products.

C. *Innovative Strategies by Micro Enterprises*

This analysis delves into the innovative strategies by micro enterprises to navigate complexities and sustain successful operations. Using the qualitative data analysis of participants, several key themes emerged that illuminate the entrepreneurial approaches in today's business context. These key themes are

"Management Skills", "Customer Service" and "Adaptability".

1) *The Vital Role of Management Skills in Times of Crisis*

Firstly, the theme of "Management Skills" affirm the importance of Financial Knowledge, Resilience, and Passion. Participants highlighted the importance of financial knowledge, feasible skills, and determination to overcome obstacles, specifically during uncertain events. The participants also demonstrated the ability to leverage their expertise and resources to navigate disturbance times successfully despite varying levels of formal education and years of experience in business.

- *Passion*

Based on statements given by participants, it emphasized the significant impact of passion in driving their business-related enterprise. This indicates a deep sense of commitment fueled by passion which motivates entrepreneurs to overcome obstacles and pursue their goals with determination (Cardon et al., 2013). According to participants P02, P04, P05, P07, P08, P09, P10, and P11, they showed authentic leadership and enthusiasm by fostering a culture of passion, which served as a catalyst for innovation and continuously looked up opportunities for growth and improvement to fulfill their vision.

"You have to persevere and you must be passionate or really like what you are doing" - P02

"No matter what obstacle comes your way, we should not lose hope because there are many ways to overcome it." - P08

- *Financial Knowledge*

In analyzing the outcomes, participants P01, P02, P06, and P07 highlighted the vital role of financial knowledge as a skill in effectively managing their enterprises. In accordance with participant P01 and P02, point out the importance of financial preparedness and strategic decision making in navigating uncertain economic conditions. As articulated by Sucuahi (2013), entrepreneurs endowed with a strong financial foundation emerge as essential benchmarks for gauging business success and growth, especially within the competitive landscape of the business environment.

"...having effective management of finances will help with business continuity" - P01

"...you should know plenty of strategies when it comes to proper management of finances ... because it will be vital for the continuity of business operations" - P02

"Capital requirements is never ending, hence asking for financial assistance sometimes is necessary to fund your business" - P06

As pointed by Niederauer (2013), the absence of financial knowledge among business enterprise owners can signal potential business failure. By equipping entrepreneurs with the necessary financial skills and understanding to thrive can

empower microenterprises and contribute to economic growth as well as poverty alleviation.

2) *The Vital Role of Adaptability in Times of Crisis*

The participants' interview highlights how adaptability is universally recognized as a critical quality in the face of constantly shifting conditions, a fact that is further highlighted by the difficulties posed by the COVID-19 pandemic.

The interview essentially emphasizes the transforming potential of adaptation in navigating the chaotic seas of modern business settings, providing insightful information and lessons for companies that may encounter such difficulties in the future. According to Firuz Alimov's article, "Unlocking Success: Navigating Uncertainty and Complexity with Process Management," businesses face roller-coaster circumstances in today's unpredictable world, and the traditional environment of operations is undergoing significant changes.

- *Trends*

The rise of internet shopping and the ongoing advancement of technology have made a serious impact on businesses of all kinds in today's high-powered business environment. They point out that it might be difficult to satisfy changing consumer tastes and that traditional sales medium have begun to lose popularity to internet buying. This is in line with a 2023 study which suggests that companies should enhance supply chains by adding more suppliers and implementing sustainable practices as e-commerce gains market share by Alwan et al. titled "Sustainable and resilient e-commerce under COVID-19 pandemic: A hybrid gray decision-making approach." Participant 03 highlights how complex it is to stay on top of the market's ever-evolving trends and how hard it is to adapt to changing consumer preferences. Furthermore, Participant 12 talks on the difficulties that small companies faced as a result of the pandemic's surge in internet retailers. They also touch on the challenges of holding onto outdated inventory when certain items become unfashionable.

"Over time, trends change. That's why I find it hard to provide the preferences of customers ... since Online business is more convenient for customers so building up our online presence will help keep customers" - P03

"Like us, the increase of Online shops during the pandemic have become a serious challenge to small businesses" - P12

- *Diversification*

Eminent in the statement below concentrate on the concept of diversification in business strategies. Participants talk about a variety of ways for diversifying their inventory, such as adding new products, adjusting price, and trying out new things. Most of the participants agree that diversity is a good way to stay competitive, adjust to difficult circumstances, and build closer bonds with their target market. In order to maintain

Table 3
Innovative strategies by micro enterprises

Themes	Codes	Participants	Frequency	Percentage
Management Skills	Passion	P02, P04, P05, P07, P08, P09, P10, P11	8	66.67%
	Financial Knowledge	P01, P02, P06, P07	4	33.33%
	Resilience	P04, P05, P08, P10	4	33.33%
Adaptability	Trends	P01, P03, P05, P06, P07, P08, P11, P12	8	66.67%
	Diversification	P02, P06, P07, P08, P09	5	41.67%
Customer Service	Quality	P01, P04, P09, P10, P11	5	41.67%
	Patronage	P03, P09, P10, P12	4	33.33%

competitiveness, Participant 02 highlights the need for inventory diversification. They began as a hardware store and have now broadened their product line to include bicycles and other in-demand goods, exhibiting a proactive commitment to meeting consumer expectations. Both Participants 07 and 08 point out the advantages of providing a range of goods and services in order to appeal to larger clients. This scheme guarantees company resilience and lessens the effects of shifting trends. Ultimately, the conversation among the participants highlights how strategically important diversity is for adapting to changing market conditions, satisfying client needs, and maintaining long-term corporate viability.

"So, we've changed some things in our business, for instance we sell and how much it costs, to help our customers through those tough times and also to keep our business ambitious" - P02

"Through offering various products or services, I can lessen the impact of changing trends and appeal to a wider customer base." - P07

In summary, the discussions highlight how critical it is to adjust in order to survive adversity, particularly in light of the current COVID-19 pandemic. By embracing digital and modifying their strategies to keep up with market developments like the emergence of online shopping, businesses have demonstrated that they can handle change. All things considered, the most critical thing that businesses can do when faced with complex and unpredictable events is to be able to adapt. This can help other companies facing comparable issues.

3) The Vital Role of Customer Service in Times of Crisis

• Quality

Based on the accounts provided by participants during in-depth interviews, a majority—specifically, 5 of twelve. Based on the insights provided by participants 01, 04, 09, 10, and 11, maintaining outstanding product quality is important in operating their business. This strategy not only draws customers but also fosters trust, playing a critical role in enabling businesses to navigate and overcome challenges. Based on previous study, product quality is one of the attributes for a company's ability to meet the consumer need (Pham, H.C., Aro, K.; Suomi, K.; Saraniemi, S., Lanzolla, G.; Markides, C. A).

"...allow our customers to personally experience and witness the outstanding quality of our products" - P04

"We always take into consideration the quality of our product...." - P10

• Patronage

Patronage is one of the factors on how they manage the complexities and to maintain the sustainability of their business. Based on the insights by participant P03, P09, P10, & P12 actively demonstrating patronage towards their customers gains benefits. By consistently exhibiting this, their businesses cultivate a loyal base of repeat customers, thereby expanding their roster of regulars. According to Kotler, customer relationship management is very crucial in an organization. It entails the establishment and maintenance of customer touch points to ensure profitability.

"... having regular customers" - P03

"Even if there are online shops, customers are still

patronizing my products." - P09

When there is a crisis, outstanding customer service is very important for keeping things stable and building trust in a time of uncertainty. Businesses can improve their relationships with customers and keep them coming back even when times are tough by putting an emphasis on responsiveness, empathy, and problem-solving. Participants stressed how important it is to keep product quality at a high level, which not only brings in customers but also builds trust and loyalty.

In conclusion, this emphasized various reasons on what drives micro-enterprises in the City of San Fernando, Pampanga, where livelihood is the critical factor. The problems encountered, like adapting to online trends and financial constraints, give highlight on the importance of resilience and adaptability for long-term success. Through adapting digital transformation and strategic decision-making, micro-enterprises can develop their competitiveness and sustainability. These will give important guidance to support micro-enterprises and encourage economic growth in the community.

D. Emerging Framework on the Sustainability of Micro Enterprises

A framework was developed from the findings to better understand the sustainability of micro-enterprises. By Integrating these factors into a unified framework, business owners, practitioners and researchers gain a comprehensive grasp of the complicated world of microenterprises. Businesses are influenced by various factors as they try to become stable. The BCDGMP Framework illustrates the fundamental elements contributing to the stability of microenterprises.

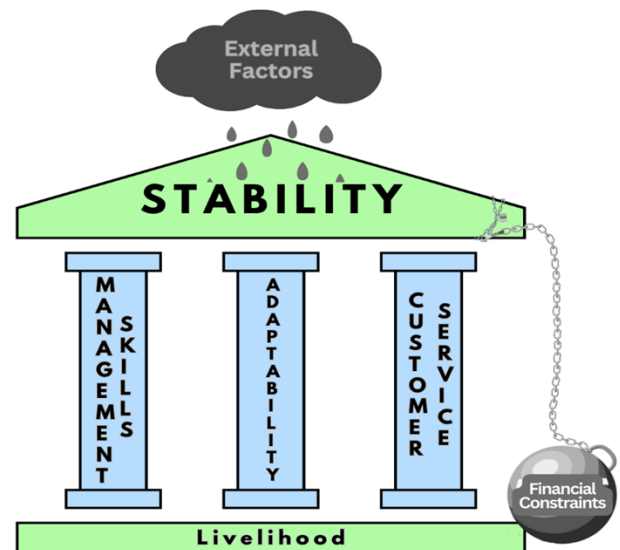


Fig. 3. BCDGMP framework

Livelihood is the foundation and the fundamental activity of businesses. It is supported by three (3) essential pillars: "Management Skills", "Adaptability", and "Customer Service" which helps strengthen the foundation of business and are vital elements in achieving business stability. Each Pillar plays a crucial role in helping the business owners operate continuously

and to effectively manage the issues they encounter. The entire structure faces external factors, represented by rain, highlighting the need to navigate external challenges for sustained success. Whilst the chains with the metal ball depicts the impact of financial constraint towards having business stability. Businesses can use this framework to determine their strengths, weaknesses, and areas where they can improve. Researchers can also use it to determine how the many factors affecting success or failure work together. It is essential to remember that this framework is just a simplified version of reality; the importance of each factor can change a lot between industries and businesses.

15. Conclusions

The following are the conclusions of the study:

1. Their desire to have a secure livelihood is what drives micro-enterprise owners to establish their business, to be able to provide for their families and have financial stability, uphold family traditions, and find personal fulfillment in managing a small business. The diverse intentions showcase the multifaceted ways micro-entrepreneurship shapes the lives of those who choose this path.
2. This concluded that micro enterprise owners had faced significant challenges such as financial constraints resulting from decrease in sales, price increases and inflation, and external factors involving uncertain events and supplier relationships.
3. Modern business requires a constant embrace of innovative strategies. Whereas the specific strategies will vary based on the individual enterprise, a focus on adaptability that leverages digital transformation, prioritizing personalized customer service through omnichannel support, and having a workforce with the necessary skills needed to thrive in a dynamic environment can be a powerful foundation for success. Hence, by embracing these innovative approaches, microenterprises can navigate complexities, build resilience, and achieve sustainable success in the ever-evolving business.
4. The BCDGMP Emerging Framework was developed.

16. Recommendations

The following are the recommendations of the study:

1. Future researchers should broaden this inquiry by incorporating diverse participant groups to uncover additional factors or motivations influencing the establishment of businesses, thereby enriching the understanding of entrepreneurial dynamics and enhancing the applicability of the findings.
2. Micro enterprises should implement effective financial management practices, prioritize risk mitigation and business continuity planning, strengthen supplier relationships, and embrace digital solutions for enhanced competitiveness.
3. In light of the formed conclusion, the researchers

advise conducting comparative research to learn more about the impact of embracing innovative strategies on microenterprises. This could be accomplished by looking into the operations and outcomes of a microenterprise that makes full use of innovative strategies against those microenterprises who have not. Such study could offer a valuable insight for entrepreneurs to understand how innovation affects the success of their enterprise and to encourage these enterprises to adopt innovation.

4. Following the development of the BCDGMP Emerging Framework, continuously enhancing or reviewing the factors affecting the sustainability of businesses. With the changing environment, these elements may vary from time to time. Hence, continuous monitoring and refining of the framework will help users maximize its impact by integrating it into critical decision-making.

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