

Marketing Strategies and Economic Growth of Small and Medium Enterprises (SMEs) in Davao Del Sur

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Abstract. This study aimed to assess the impact of marketing strategies on the economic growth of small and medium-sized enterprises (SMEs) in Davao del Sur, focusing on the relationship between marketing strategies and economic development. A descriptive-correlational research design was employed, using data from 90 SME participants. Most respondents had 1-5 years of business experience, with 85.60% reporting monthly profits between ₱100,000 and ₱200,000. The findings showed that SMEs effectively assessed their marketing strategies across all areas, particularly People, Place, and Promotion, highlighting strong customer engagement, accessibility, and advertising efforts. However, the study also revealed a negative correlation between marketing strategies and economic growth, which was not statistically significant, as indicated by a p-value of 0.374. Based on these results, it is suggested that future research may explore other factors influencing SME profitability, such as customer retention, cost management, and technological adoption, to identify more effective strategies for improving economic growth.

Keywords: Business environment; Cultural nuances; Economic growth; Marketing strategies; Market dynamics.

1.0 Introduction

Competition is an inevitable factor that individuals must contend with, as it catalyzes the reassessment and refinement of strategies and approaches. In the business world, competitors are pervasive, and they continue to spread across the different facets of the industry around the globe. Thus, Small to Medium Enterprises (SMEs) need to find ways to market their products and services despite different competitors. Varga (2021) defines small to medium enterprises as businesses that operate on a relatively small to medium scale, typically characterized by a limited number of employees, annual revenue, or assets.

Due to unprecedented developments in international commerce, businesses in established and developing nations have been forced to alter their business strategies to stay competitive. The extensive protection the corresponding national governments offered a few decades ago has disappeared (Wuen et al., 2021). Thus, small and medium enterprises can shift to the domestic market (Farida & Setiawan, 2022). Felix and Maggi (2019) stated that competition is one of the main forces behind productivity and production development in business. However, recent studies have shown that industry-level concentration has increased, and firm entry has decreased in advanced economies (Bajgar et al., 2023). Therefore, the need for a distinct marketing strategy has risen as it helps businesses market their products and services.

Pham et al. (2021) found a positive association between planned innovation and profitability in Vietnam. Specifically, it showed that firms that intentionally focused on innovation, primarily through strategic planning, saw better financial outcomes. Similarly, Othman et al. (2021) found that marketing elements like product, price, place, and after-sales services significantly influence small businesses' success, suggesting that enhancing product quality and customer service and adopting modern marketing strategies can boost profitability. Therefore, given the results of the different studies, appropriate and proper marketing strategies always positively impact the growth and development of businesses.

In the country, a lot of business competition dominates the business industries. According to the Department of Trade and Industry, in 2023, there were 1,241,733 SMEs in the Philippines. Despite comprising 99.63% of all business enterprises, SMEs contribute only 35% of the GVA, suggesting inefficiencies in strategic operations, particularly in marketing (Sarmiento, 2025). These further disadvantage the workforce of SMEs as opposed to large company employees, as employee perks correlate positively with productivity. Camayo (2021) revealed that regarding marketing strategies, it was shown that SMEs embrace contemporary marketing methods at a relatively low rate. They continue to entice their clients conventionally.

However, in South Cotabato, a study was done to assess the impact of marketing strategies on the competitive advantage of small retailers. The findings showed that both competitive advantage and level of marketing strategies obtained a very high description (Nono et al., 2023). A similar investigation was also done in Compostela Valley Province by Madinga et al. (2021), focusing on Talipapa vendors, and the findings indicated that Talipapa vendors' degree of marketing strategy is closely monitored. Furthermore, it was found that the marketing approach greatly impacted Talipapa's sales results.

Enhancing marketing strategies is becoming increasingly crucial for the long-term viability of small to medium enterprises (SMEs) in Davao del Sur. Nevertheless, the existing research lacks information regarding the intricate impact of cultural and geographical characteristics on the effectiveness of these tactics. While there is existing research on marketing optimization, there is a lack of specific studies on how the local culture, customer behavior, and market dynamics in Davao del Sur affect the outcomes of marketing strategies implemented for SMEs.

Understanding the specific contextual factors of this region is crucial for tailoring marketing techniques that resonate with the local community and may lead to more successful and sustainable business endeavors. Research is essential to comprehensively understand effective marketing strategies for small and medium-sized businesses in Davao del Sur, examining the intersection of marketing optimization, cultural nuances, and regional dynamics.

2.0 Methodology

2.1 Research Design

This study utilized a quantitative non-experimental research design, particularly descriptive-correlational, and a regression technique was also employed. As stated by Siedlecki (2020), if the purpose of the research is to determine traits, frequencies, trends, and classifications, then descriptive research is the method that should be performed. Further, correlational research designs examine the correlations between variables without including any control or manipulation on the researcher's part (Bhandari, 2021). Moreover, regression analysis was used to determine if the domain of marketing strategies significantly influences the Economic Growth of small- and medium-sized enterprise owners.

2.2 Research Locale

The province of Davao del Sur has 1,300 registered local businesses, per the Department of Trade and Industry (DTI). In recent times, there have been a total of 1,332 firms registered in Digos City (200), Matanao (86), Kiblawan (70), Malalag (273), Padada (41), Sulop (133), Magsaysay (40), Hagonoy (260), Bansalan (134), Sta. Cruz (95) (Palicte, 2022). The majority of these enterprises are small and medium enterprises. Therefore, the study titled "Optimizing Small and Medium Enterprises (SMEs) Economic Growth in Davao del Sur: An Assessment on the Effectiveness of Marketing Strategies" was conducted within Davao del Sur to determine how the various marketing strategies are used to optimize the economic aspects of SMEs.

2.3 Research Participants

The study's respondents were the selected 90 owners of agri-based small and medium businesses in Davao del Sur. The inclusion criteria for small and medium businesses include those with a loan of 10 to 99 and Php

3,000,001–15,000,000 (UNDP, 2020). Further, the participants must be in the agri-based industry. This means that the products and services offered to the public align with the agricultural concept. Meanwhile, the respondents were selected through the complete enumeration method. The complete enumeration method is a research strategy that collects data from every individual in the studied population.

2.4 Research Instrument

The study utilized an adopted survey questionnaire to assess its objectives. The research instrument was taken from the study of Nono et al. (2023) entitled “Marketing strategies and competitive advantage of small retailers in Tantaran, South Cotabato.” It was used to assess the level of marketing strategies of the business owners in terms of product, price, place, promotion, people, process, and physical evidence. An adopted survey questionnaire was used to measure the study's dependent variable. Research experts reviewed and evaluated the questionnaire to ensure the questions aligned with the study's objectives. The researcher formally sent a validation letter to three experts, who assessed the instrument using the validation sheet provided. Their feedback was incorporated to refine the instrument and ensure its relevance and accuracy for the study. Once approved, the researcher finalized the instrument and prepared it for administration.

2.5 Data Gathering Procedure

The researcher sought appropriate permission from the Research, Development, and Innovation (RDI) Office to conduct the survey. The researcher sent a letter to the Municipal Business Permits and Licensing Office (MBPLO) to request the list of business owners under the small and medium enterprise category. After determining the respondents, the researcher sent an informed consent to the participants, asking them to be part of the study's data collection. If the Office of the College President approved the permit to conduct the research through the RDI Office and the research instrument was validated, the researcher proceeded to the set schedule for data collection. After the data collection, the gathered data were encoded in spreadsheet format, summarized, processed, and analyzed using appropriate statistical tools such as frequency distribution, mean, standard deviation, chi-square, and Pearson correlation coefficient.

2.6 Ethical Considerations

The research adheres to ethical guidelines, which include obtaining participants' informed and voluntary consent, protecting their right to privacy and confidentiality, reducing potential risks, building credibility, demonstrating social and cultural responsibility, and maintaining the adequacy of the research (Whitney & Evered, 2022). Participants should voluntarily consent to participate in the survey without being forced or under duress. The researcher must keep their answers private and secure to protect participants' privacy. This could include removing personal information from data, storing it securely, and disclosing aggregate results. Before participating in the survey, participants should be adequately informed about the research goals, methods, risks, and advantages. Furthermore, the researcher must carefully consider any possible hazards or adverse effects of the survey and take appropriate precautions to reduce them. Researchers must uphold academic integrity by honestly reporting findings and abstaining from data fabrication, fraud, and plagiarism.

3.0 Results and Discussion

3.1 Demographic and Socio-Economic Profile of the Small-Medium Enterprise Owners

Table 1 summarizes the demographic and socio-economic details of the respondents, offering a snapshot of their backgrounds and circumstances. It outlines demographic factors like age, gender, marital status, and educational level, which provide a sense of their characteristics. On the other hand, socio-economic aspects such as occupation, monthly income, and household size help describe their financial situation and living arrangements.

Most SME owners are middle-aged, with 44.4% aged 35-44 and 32.2% aged 25-34. Female owners (55.6%) slightly outnumber males (44.4%). Most are married (80%), with singles and widows comprising 7.8% and 12.2%, respectively. Regarding education, most respondents are college graduates (71.10%), reflecting a solid academic background. High school graduates represent 24.4%, while elementary graduates account for 4.40%.

When it comes to the type of enterprises, small enterprises dominate the business types at 95.60%, with medium-sized businesses constituting 4.40%. Finally, experience levels reveal that 77.80% of respondents have been in business for 1-5 years. Those with less than a year or over 10 years of experience make up 11%. In terms of earnings, most SMEs generate a monthly profit between ₱100,000 and ₱200,000 (85.60%), while smaller percentages earn ₱200,000–₱400,000 (6.70%) or exceed ₱400,000 (7.70%).

Table 1. Demographic and Socio-Economic Profile of SME Owners in Davao Del Sur		
Socio-Demographic Profile	Frequency	Rf (%)
Age		
18-24	6	6.70
25-34	29	32.20
35-44	40	44.40
45-54	11	12.20
55-64	2	2.20
65 and above	2	2.20
Sex		
Male	40	44.40
Female	50	55.60
Civil Status		
Single	7	7.78
Married	72	80.00
Widow	11	12.22
Education Attainment		
Elementary Graduate	4	4.40
High School Graduate	22	24.40
College Graduate	64	71.10
Type of Enterprise		
Small business	86	95.60
Medium-sized business	4	4.40
Years of Experience as Business Owner/ Manager		
Less than 1 year	10	11.10
1-5 years	70	77.80
6-10 years	5	5.60
More than 10 years	5	5.50
Estimated Monthly Profit		
100, 000 to 200, 000	77	85.60
200, 000 to 400, 000	6	6.70
400, 000 and above	7	7.70

Generally, SME owners' demographic and socio-economic profiles reveal key patterns influencing their entrepreneurial activities. Middle-aged individuals, particularly those aged 35-44, lead these enterprises, with women (55.60%) slightly outnumbering men. Most owners are married and possess college degrees (71.10%), highlighting the impact of family life and education on their ventures. Small enterprises dominate (95.60%), and most owners have 1-5 years of experience (77.80%), reflecting a young but developing sector. Monthly profits broadly fall between ₱100,000 and ₱200,000, indicating moderate financial performance. These findings provide valuable insights into the dynamics shaping SME operations and their growth potential.

3.2 Business Environment of Small-Medium Enterprise in Davao del Sur

This section describes the business environment of the SMEs in Davao del Sur. It focuses on input cost and supply chain dynamics, climate and environmental factors, market dynamics, and local culture and cultural nuances.

Input Cost and Supply Chain Dynamics

Table 2 provides an overview of the business environment for SMEs in Davao del Sur, focusing on input costs and supply chain dynamics. Most respondents rated the affordability of agricultural inputs like seeds, fertilizers, and equipment as very affordable (88.89%), suggesting that these costs are generally manageable. However, a few noted that inputs are expensive (7.78%) or costly (3.33%), indicating occasional affordability challenges. On price fluctuations, 86.70% of respondents expressed uncertainty about significant changes over the past year, while 8.9% reported experiencing fluctuations, particularly in specific inputs, which could affect their planning and profitability. Supply chain challenges were led by price volatility (42.20%), followed by supplier reliability (35.60%), inventory issues (6.70%), and transportation concerns (1.10%). Some (14.40%) mentioned other issues. These results emphasize the need to address pricing consistency and supplier performance to improve operations, reflecting findings that stable supply chains support SME success.

Table 2. *Business Environment of SMEs in Davao Del Sur in terms of Input Cost and Supply Chain Dynamics*

Questions	Responses	Frequency	Rf (%)
1. How would you rate the current affordability of inputs (e.g., seeds, fertilizers, equipment) for your agricultural business in Davao del Sur?	Very affordable	80	88.89
	Affordable	7	7.78
	Neutral	3	3.33
	Expensive	0	0
	Very expensive	0	0
2. Have you experienced significant input price fluctuations over the past year?	Not Sure	78	86.70
	Yes	8	8.90
	No	4	4.40
3. What challenges do you face in managing your supply chain effectively?	Transportation issues	1	1.10
	Inventory management	6	6.70
	difficulties	32	35.60
	Supplier reliability	38	42.20
	Price volatility	13	14.40

These findings highlight the pressing need to ensure pricing consistency and improve supplier performance to support SME operations. Stable supply chains are pivotal in SMEs' success, as disruptions can severely impact their business operations and sales performance. For example, research on MSMEs in the Davao Region during the COVID-19 pandemic revealed that supply chain disruptions adversely affected business operations and sales, underscoring the critical importance of reliable supply chains for SME resilience (Laorden et al., 2022). Further, Yan et al. (2022) noted that supply chain dynamic capability is a critical intermediary between supply chain operational capability and overall firm performance. It enables businesses to adapt their operational resources effectively to changing market demands and unforeseen external disruptions. This implies that by leveraging dynamic capabilities, firms can enhance their responsiveness, improve resource allocation, and develop innovative strategies that provide a competitive edge. This adaptive approach ensures operational efficiency, long-term resilience, and sustainability in volatile environments, positioning firms to thrive in uncertainty.

Climate and Environmental Factors

Table 3 summarizes the perspectives of SMEs in Davao del Sur on how climate and environmental factors influence their business environment. The findings highlight notable challenges and varied satisfaction levels with existing support systems. A significant 56.58% of respondents reported experiencing a high impact from climate-related risks such as extreme weather, droughts, and floods. This finding is consistent with the study by Asensio et al. (2021), which emphasized the susceptibility of agricultural SMEs in the Philippines to climate extremes, especially in areas frequently affected by natural disasters.

Table 3. *Business Environment of SMEs in Davao del Sur in terms of Climate and Environmental Factors*

Questions	Responses	Frequency	Rf (%)
1. How would you rate the impact of climate-related risks on your agricultural operations in Davao del Sur?	Very low impact	2	2.22
	Low impact	2	2.22
	Moderate impact	25	27.77
	High impact	10	11.11
	Very high impact	51	56.58
2. Are you satisfied with the level of support provided by the government or local organizations in addressing environmental scarcity) in Davao del Sur?	Not Sure	53	58.90
	No	12	13.30
	Yes	25	27.78
3. Are you satisfied with the level of support provided by the government or local organizations in addressing environmental challenges?	Very satisfied	30	33.33
	Satisfied	20	22.27
	Neutral Dissatisfied	30	33.33
	Very dissatisfied	10	11.11
4. How concerned are you about the long-term sustainability of your agricultural operations, considering environmental factors such as soil health and water availability?	Not concerned at all	2	2.20
	Slightly concerned		
	Moderately concerned	25	27.80
	Very concerned	17	18.90
	Extremely concerned	42	46.70
5. How would you rate the impact of climate-related risks on your agricultural operations in Davao del Sur?	Very low impact	2	2.22
	Low impact	2	2.22
	Moderate impact	25	27.77
	High impact	10	11.11
	Very high impact	51	56.58

Meanwhile, 27.77% noted a moderate impact, with very few indicating low or minimal impact. This underscores the critical influence of these risks on agricultural operations in the area. Regarding support from government and local organizations for managing environmental scarcity, 58.9% expressed uncertainty about the adequacy of these initiatives, while 27.78% were satisfied. Mixed feedback was also evident in addressing soil degradation and water scarcity, with 33.33% feeling very satisfied or neutral, reflecting varied sentiments about existing programs.

This is consistent with the findings of Aranas and Reyes (2020), who observed that although government programs designed to support SMEs in rural areas are in place, their accessibility and implementation continue to be uneven (Dasanayaka et al., 2022). Long-term sustainability concerns regarding soil health and water availability were prominent, with 46.70% of respondents expressing extreme concern and 18.90% noting moderate concern. Only 2.20% reported little to no concern, emphasizing the urgency for strategies promoting sustainable agriculture practices.

Market Dynamics

Table 4 shows the business environment of SMEs in Davao del Sur, focusing on market dynamics. Most respondents (55.60%) described competition among agri-based businesses as intense, highlighting the need for innovative strategies to stay competitive. A smaller portion (30.00%) rated competition as moderate, indicating variability across sectors, while 14.4% saw it as minimal, suggesting some niches face less rivalry. The findings are relevant to Castillo-Sam et al. (2016), which highlights that SMEs in the region must adopt innovative business models to enhance competitiveness.

Table 4. *Business Environment of SMEs in Davao del Sur in terms of Market Dynamics*

Questions	Responses	Frequency	Rf (%)
1. How would you describe the competition among agri-based small and medium-sized businesses in Davao del Sur?	Intense	50	55.6
	Moderate	27	30.0
	Minimal	13	14.4
2. Have you noticed any recent changes in the market behavior of agri-based small and medium-sized businesses in Davao del Sur? (e.g., new trends, shifts in consumer preferences)	Yes	4	4.4
	No	8	8.9
	Not Sure	78	86.7

Regarding market behavior, 86.70% of respondents expressed uncertainty about shifts in consumer preferences or emerging trends, which might indicate limited monitoring or access to market data. Only 4.4% observed changes, suggesting that some businesses may be better equipped to identify trends, while 8.90% reported no changes. These findings underline the importance of improving SMEs' ability to analyze markets and adapt to competitive pressures. Roxas and Guhao (2023) highlight the significance of market orientation and adaptability to evolving consumer demands as essential elements for the success of SMEs in the Davao Region.

These findings underscore the need for SMEs in Davao del Sur to strengthen their market analysis skills and implement adaptive strategies to address competitive challenges effectively. Enhancing access to market information and prioritizing investments in innovative practices are crucial for achieving long-term growth and resilience in an ever-changing business landscape.

Local Culture and Cultural Nuances

Table 5 reveals that most respondents, 54.40%, stated that local culture does not influence the products or services SMEs offer in Davao del Sur. A smaller group, 40.0%, observed minimal influence, and 5.6% noted moderate influence. No respondents reported a substantial cultural impact on these offerings. These findings suggest that SMEs primarily address broad market demands instead of focusing on culturally specific goods or services. When asked about the role of cultural nuances in marketing strategies, 75.50% of respondents expressed uncertainty about their importance. Only 5.60% viewed them as necessary, while 18.90% disagreed.

This response highlights SMEs' general lack of awareness regarding how cultural considerations might shape marketing efforts. Nonetheless, some respondents suggested that incorporating localized themes in marketing could appeal to specific segments, particularly in niche markets, even if cultural factors do not primarily influence broader business practices. This indicates a potential gap in strategic marketing knowledge, where businesses may miss opportunities to connect deeply with culturally distinct consumer groups. Moreover, it suggests that

while cultural awareness is not fully integrated into general operations, some entrepreneurs recognize its value in enhancing consumer engagement and brand relatability. Therefore, encouraging broader cultural sensitivity could help SMEs develop more targeted and effective marketing strategies.

Table 5. *Business Environment of SMEs in Davao del Sur in terms of Local Culture and Cultural Nuances*

Questions	Responses	Frequency	Rf (%)
1. How would you describe the influence of local culture on the products/services SMEs offer in Davao del Sur?	Strong Influence	0	0
	Moderate Influence	5	5.60
	Minimal Influence	36	40.00
	No influence	49	54.40
2. Are there any cultural nuances that SMEs in Davao del Sur should consider when developing marketing strategies?	Yes	5	5.60
	No	17	18.90
	Not Sure	68	75.50

3.3 Level of Marketing Strategies of Small-Medium Enterprise in Davao del Sur

Table 3 shows that small-medium enterprises (SMEs) in Davao del Sur rated their marketing strategies as Very High across all indicators. The highest rating was for People, indicating an intense focus on customer interaction and employee competence. Place and Promotion also received high ratings, pointing to the importance of strategic location and promotional efforts in improving market visibility and accessibility. Respondents emphasized that an effective marketing strategy covering these areas is key to customer retention and business growth. The Process dimension highlights the importance of operational efficiency, while Physical Evidence demonstrates the impact of tangible elements on building customer trust. The Product and Price dimensions were also rated Very High, focusing on providing quality products at competitive prices.

Table 6. *The Level of Marketing Strategies of SMEs*

Indicators	Mean	SD	Verbal Rating
Product	4.45	0.05	Very High
Price	4.43	0.03	Very High
Place	4.50	0.03	Very High
Promotion	4.50	0.04	Very High
People	4.51	0.01	Very High
Process	4.49	0.05	Very High
Physical Evidence	4.45	0.05	Very High
Overall mean	4.48	0.01	Very High

The results are parallel to the findings of Amin (2021), who noted that implementing effective marketing strategies had a significant positive impact on the performance of SMEs in Abuja. The research concluded that these strategic marketing efforts played a crucial role in driving the growth and sustainability of SMEs in Abuja, highlighting the importance of tailored marketing techniques in achieving business success. Moreover, REV Global (2024) postulated that a robust marketing strategy is essential for ensuring any business's sustained success and growth. It is pivotal in setting your business apart from competitors by highlighting unique value propositions. Additionally, it enhances brand visibility, fostering stronger recognition and trust among target audiences. This means that a practical marketing approach also boosts customer engagement, creating opportunities for meaningful interactions that drive sales and build loyalty.

3.4 Economic Growth of Marketing Strategies to SMEs

Table 7 shows the clear benefits of marketing strategies on SMEs, particularly in areas like profitability, customer acquisition cost (CAC), product diversification, and cost efficiency. Respondents strongly agreed that marketing strategies directly impact their profitability, helping them improve financial results. They also noted the importance of managing CAC, which significantly affects their financial health.

Table 7. *The Level of Economic Growth of Marketing Strategies to SMEs*

Indicators	Mean	SD	Verbal Rating
Profitability	4.40	0.56	Very Positively
Customer Acquisition Cost (CAC)	4.43	0.52	Very Positively
Product or Service Diversification	4.40	0.54	Very Positively
Cost Efficiency	4.41	0.52	Very Positively
Overall mean	4.41	0.02	Very Positively

This aligns with the findings of Meekaewkunchorn et al. (2021), who emphasized that diversification enhances market reach and reduces dependency on a single product line, mitigating risks. Furthermore, focusing on cost efficiency is critical in optimizing resource utilization, ultimately improving profitability and sustainability. Brown (2020) pointed out that marketing strategies directly affect SMEs' profitability by boosting market reach and customer loyalty, leading to improved financial outcomes. Al-Tabbaa and Zahoor (2023) observed that by diversifying their product or service range, SMEs can access new customer segments and reduce the risks of relying on just one product line. Hernia et al. (2021) highlighted that SMEs focusing on resource optimization see better operational efficiency, which helps them stay competitive in challenging market conditions and contributes to long-term success.

3.5 Relationship between Business Environment and Marketing Strategies

Table 8 presents the results of a chi-square analysis conducted to examine the associations between business environment variables and the effectiveness of marketing strategies. The study reveals that no variables showed significant relationships with marketing strategies, including input cost and supply chain dynamics, climate and environmental factors, market dynamics, and local culture and cultural nuances. This is evidenced by p-values of .128, .491, .827, and .657, all exceeding the typical threshold of 0.05. Therefore, the findings indicate that these factors do not significantly influence marketing approaches within the business surveyed.

Table 8. *The Relationship between Business Environment and Marketing Strategies*

Variables	Chi Square	P value	Remark	Decision
Input Cost and Supply Chain Dynamics	.632	.128	Not Significant	Failed to reject Ho
Climate and Environmental Factors	.315	.491	Not Significant	Failed to reject Ho
Market Dynamics	.102	.827	Not Significant	Failed to reject Ho
Local Culture and Cultural Nuances	.207	.657	Not Significant	Failed to reject Ho

Research on input costs and supply chain dynamics highlights their role in operational efficiency, but shows they do not always affect marketing strategies directly. Kamalahmadi et al. (2022) indicate that while supply chain optimization can reduce costs and improve operations, it may not lead to significant shifts in marketing tactics. Similarly, the relationship between climate or environmental factors and marketing strategies is complex. Nyu et al. (2022) note that environmental influences like weather can impact product demand, yet businesses may respond with product diversification or seasonal marketing instead of adjusting core marketing strategies.

Market dynamics, such as competition and consumer preferences, are commonly seen as influencing marketing approaches. However, this study found that market conditions did not significantly affect marketing strategies. Nath and Siepong (2021) suggest that in competitive environments, businesses often stick with standard marketing strategies, which might explain why shifts in market dynamics have a minimal effect on marketing tactics. The study also explored the role of local culture in shaping marketing strategies. While cultural factors have been linked to consumer behavior and brand perception (Ansere et al., 2024), the study showed that cultural nuances did not significantly impact marketing approaches.

3.6 Relationship between Business Environment and Economic Growth

The relationship between business environment variables and Economic growth is essential for understanding the factors influencing business performance. Table 9 presents a statistical analysis of input costs, supply chain dynamics, climate and environmental factors, market dynamics, and local culture. The data gathered from 90 SME owners revealed that none of the variables, input cost and supply chain dynamics, climate and environmental factors, market dynamics, and local culture and cultural nuances, demonstrated a statistically significant relationship with economic growth, as all p-values exceeded the 0.05 threshold. Specifically, the p-values were .517, .422, .671, and .744, respectively, leading to the acceptance of the null hypothesis in each case. These findings suggest that the variables under consideration do not significantly affect economic growth.

Table 9. *The Relationship between Business Environment and Economic Growth*

Variables	Chi Square	P value	Remark	Decision
Input Cost and Supply Chain Dynamics	.069	.517	Not Significant	Failed to reject Ho
Climate and Environmental Factors	.086	.422	Not Significant	Failed to reject Ho
Market Dynamics	.045	.671	Not Significant	Failed to reject Ho
Local Culture and Cultural Nuances	.035	.744	Not Significant	Failed to reject Ho

He and Yao (2022) stated that a strong business environment balances development across different areas, promotes society's growth, and boosts economic quality. Improving the business environment contributes to higher per capita income (Gilanders & Whelan, 2014) and drives economic growth. At the same time, it encourages companies to innovate and improve productivity (Gogokhia & Berulava, 2021). These findings imply that policymakers should prioritize creating stable and supportive regulatory conditions to attract investments and foster innovation. A well-structured business environment can catalyze inclusive and sustained economic development.

3.7 Relationship between Marketing Strategies and Economic Growth

Table 10 shows the relationship between marketing strategies and economic growth. The data analysis shows a Pearson correlation coefficient of -0.626 between marketing strategies and economic growth, with a p-value of 0.374, indicating that this relationship is not statistically significant. As a result, the null hypothesis cannot be rejected, which posits no significant connection between the variables.

Table 10. *The Relationship between Marketing Strategies and Economic Growth*

Variables	Pearson r	P value	Remark	Decision
Marketing Strategies vs. Economic Growth	-.626	.374	Not Significant	Failed to reject Ho

Sudirjo (2023) stated that marketing strategies are important in increasing market share and reducing the effects of competition. However, their success largely depends on how well they are implemented and the specific context in which they are applied. Similarly, Gupta et al. (2023) argued that effective marketing strategies should prioritize delivering value to customers and the business while maintaining lower costs. These findings imply that SMEs must carefully align their marketing efforts with their target audience and market conditions to achieve optimal results.

4.0 Conclusion

This study critically analyzes the current state of small and medium-sized enterprises (SMEs) in Davao del Sur, particularly emphasizing the mismatch between marketing strategies and economic growth. Most SME owners are middle-aged, female, married individuals with strong academic credentials, primarily possessing college degrees. Small firms predominate in the sector, with most respondents possessing 1-5 years of business experience, signifying a growing and dynamic entrepreneurial landscape. Most SMEs report monthly profits between ₱100,000 and ₱200,000, with few exceeding this range, indicating an opportunity for expansion through operational enhancements and expanded market access.

Despite the extensive deployment of marketing strategies across various sectors, statistical analysis reveals no significant correlation between these strategies and economic growth. Similarly, no significant association exists between the business environment and economic growth. These findings underscore the need for more customized, data-driven marketing strategies beyond fundamental execution and address SMEs' distinct challenges in converting marketing initiatives into quantifiable financial success.

To improve SME performance, targeted support programs encompass mentorship, networking opportunities, and training seminars centered on market analysis, competitive strategy, and strategic planning are advisable. Furthermore, government authorities may consider offering more tailored support and incentives to SMEs who implement thorough, evidence-based marketing plans. Educational institutions can incorporate market strategy training into their curricula, better preparing future company leaders with the skills to manage new market trends and consumer preferences.

This research highlights the discrepancy between marketing strategies and economic growth in small and medium-sized enterprises (SMEs), underscoring the need for tailored support systems that address specific growth impediments. Further research is required to investigate the reasons behind the lack of substantial economic benefits from marketing strategies and to pinpoint actionable deficiencies in marketing effectiveness. Enhancing SME owners' strategic planning and market analysis capabilities might result in profitability.

5.0 Contributions of Authors

The authors indicate their contributions to each section and confirm that they have conceptualized, designed, analyzed, drafted, and revised the manuscript.

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7.0 Conflict of Interests

The authors declare no conflict of interest regarding the publication of this paper.

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9.0 References

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