Marketing Strategies and Financial Risk Attitude of Small and Medium Enterprises in Relation to Business Performance

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ABSTRACT

Small and Medium Enterprises (SMEs) play a vital role in the Philippines' economic development, contributing significantly to job creation, innovation, and overall growth. Despite their numerical dominance, SMEs face significant challenges that hinder their growth and long-term sustainability. This study is anchored on Kotler's Marketing Mix Theory, which emphasizes that strategic marketing decisions are essential for achieving business success through the 4Ps: Product, Price, Place, and Promotion. Specifically, this study examined the relationship between marketing strategies and the financial risk attitude of mall-based SMEs, as well as their influence on business performance, to serve as a basis for strategic enhancement. Utilizing a descriptive–correlational research design, data were gathered from a total of 192 SME owners and managers. Findings revealed that most respondents were risk-tolerant, reflecting a proactive approach toward investment and business expansion. Marketing strategies were generally rated as effective, with product positioning ranking highest, followed by promotion, pricing, and place. Business performance was assessed as satisfactory, with financial performance scoring slightly higher than internal operations. Additionally, longer operational experience significantly contributed to better business outcomes, highlighting the importance of strategic maturity. While marketing strategies showed a positive alignment with performance, financial risk attitude emerged as the stronger determinant—suggesting that a willingness to take calculated risks directly enhances competitiveness and profitability. These insights underscore the need for integrated framework programs that strengthen both financial risk management and marketing capabilities to achieve sustainable SME growth.

Keywords: Marketing Strategies, Financial Risk Attitude, Small and Business Enterprises, Business Performance, Philippines

INTRODUCTION

Small and Medium Enterprises (SMEs) play a vital role in the Philippines' economic development, contributing significantly to job creation, innovation, and overall growth. According to the 2023 List of Establishments (LE) published by the Philippine Statistics Authority (PSA), the country has 1,246,373 business entities in operation. Of this total, 99.63% (1,241,733) are Micro, Small, and Medium Enterprises (MSMEs), with only 0.37% (4,640) classified as large enterprises. Micro enterprises make up 90.43% (1,127,058) of the sector, followed by small enterprises at 8.82% (109,912), and medium enterprises at 0.38% (4,763).

Despite their numerical dominance, SMEs face significant challenges that hinder their growth and long-term sustainability. Issues such as limited access to finance, marketing constraints, and heightened exposure to economic volatility are widespread among these firms (OECD, 2019). Mall-based SMEs, in particular, operate within an intensely competitive environment where strategic decision-making is critical for survival and long-term success (Salim & Nofiansyah, 2023). For mall-based SMEs, these foundational macroeconomic challenges are further amplified by the hyper-competitive dynamics of the organized retail landscape. Operating within a shopping mall subjects an SME to steep fixed lease overheads, strict operational guidelines set by mall developers, and direct, proximity-based competition from well-capitalized anchor tenants and multinational brands.

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Financial risk attitude plays a significant role in how SMEs make critical financial decisions. It refers to the degree to which an entrepreneur is willing to take financial risks in pursuit of business opportunities (Chujan et al., 2022). Risk-averse individuals often prioritize financial stability and careful investment, while risk-tolerant entrepreneurs are more likely to engage in bold, growth-driven ventures. Understanding financial risk attitude is crucial because it influences capital allocation, resource management, and the overall strategic direction of a business (Zhang et al., 2021). Beyond simple investment choices, the risk disposition shapes daily resource management, influencing operational decisions such as inventory turnover strategies, credit extension terms for clients, and the depth of investment in marketing and technology.

Business performance is a critical measure of organizational success for SMEs, reflecting how effectively they achieve their strategic objectives. Financial performance and internal operations are two vital dimensions that determine this success (Nguyen et al., 2023). Evaluating business performance allows owners and managers to identify operational bottlenecks, realign capital allocation, and assess whether their marketing strategies are generating a sufficient return on investment. Financial performance encompasses indicators such as profitability, market share, sales growth, and operational cost management. Meanwhile, internal performance focuses on operational efficiency, workforce productivity, and organizational adaptability to changing market dynamics. Both dimensions are essential for SMEs to sustain growth, enhance competitiveness, and secure long-term viability (Feng & Wang, 2019).

For mall-based SMEs, these dynamics are particularly critical. A mall's diverse clientele—comprising both local consumers and transient visitors—presents substantial avenues for expansion while simultaneously heightening competitive pressure (Gayan, 2022). To sustain operations and optimize performance, these enterprises must execute targeted marketing strategies while calibrating their financial risk exposure to align with long-term organizational objectives. When marketing investments are systematically aligned with financial risk management, enterprises avoid both under-investing in brand visibility and over-leveraging their cash flow (Mousa et al., 2021). This strategic synergy allows mall-based retailers to capture market share effectively while maintaining the financial buffer necessary to withstand economic shifts and achieve long-term organizational viability.

Thus, this study examines the relationships among marketing strategies, the demographic profiles of SME owners and managers, and the business performance of mall-based retail tenants. By analyzing these interconnected dynamics, the research provides actionable insights to guide SMEs in optimizing their operational strategies and achieving sustainable growth within the competitive retail landscape.

THEORETICAL FRAMEWORK

This study is anchored on Kotler's Marketing Mix Theory, which posits that strategic marketing decisions are essential for organizational success. The theory highlights the traditional 4Ps of marketing—Product, Price, Place, and Promotion—as critical components that shape consumer behavior and organizational performance (Kotler & Armstrong, 2022). When these four components are systematically aligned, they create a cohesive market position that shapes consumer perceptions, drives purchase intent, and ultimately dictates key financial and operational performance metrics. For mall-based SMEs, these elements dictate how effectively a business attracts customers, differentiates its offerings, and sustains competitive advantage within a dynamic retail environment. Recent empirical literature confirms that strategically executing the marketing mix enhances customer engagement and drives profitability in modern retail settings (Nguyen et al., 2021; Alalwan et al., 2022).

In addition, the study draws on Prospect Theory, which conceptualizes how individuals evaluate choices and make decisions under conditions of risk and uncertainty (Kahneman & Tversky, 1979). When applied to strategic management, this cognitive process directly governs how business owners weigh trade-offs, commit capital, and deploy operational strategies in unpredictable retail market conditions. Contemporary literature extends this framework to entrepreneurial settings, demonstrating that an owner's financial risk attitude significantly shapes strategic choices and growth initiatives (Han & Um, 2024). Specifically, risk-tolerant entrepreneurs are more inclined to invest in innovative marketing strategies and aggressive expansion, whereas risk-averse decision-

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makers typically adopt conservative postures that prioritize capital preservation and operational stability (Chui et al., 2020).

By integrating Kotler's Marketing Mix Theory and Prospect Theory, this study establishes a theoretical foundation for examining how marketing strategies and financial risk attitudes interact to influence the business performance of mall-based SMEs. The framework posits that the strategic execution of marketing initiatives, coupled with a higher propensity for calculated financial risk-taking, fosters superior financial and operational performance (Oláh et al., 2020; Gürlek & Tuna, 2018).

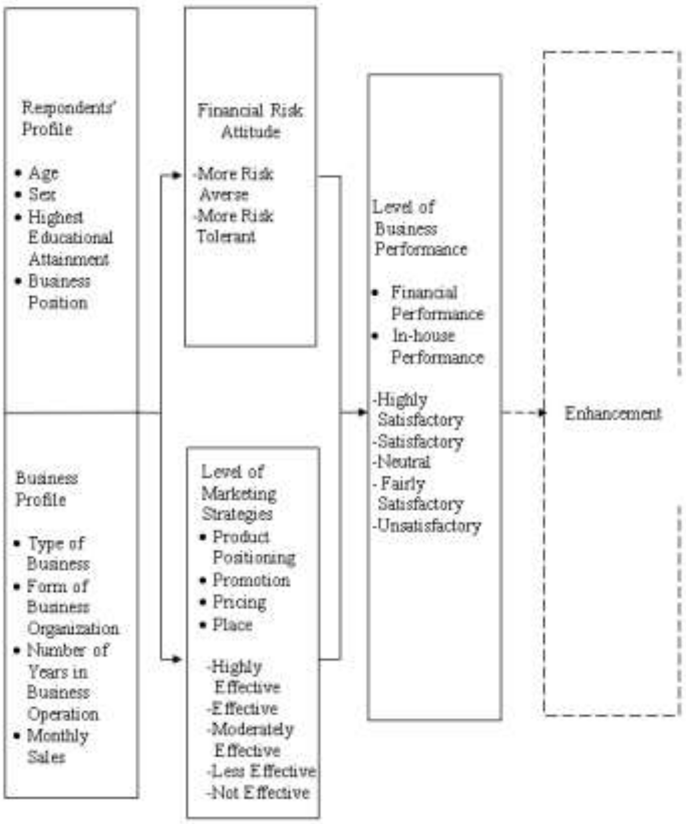
CONCEPTUAL FRAMEWORK

This study adopts the Input–Development–Performance (IDP) model to illustrate the conceptual relationships among the key variables. The input component encompasses the demographic profile of the respondents—specifically age, sex, highest educational attainment, and organizational role—alongside the firm profile, which includes the business type, legal form of organization, years of operation, and average monthly sales. Additionally, it incorporates the business owner's financial risk attitude, categorized as either risk-averse or risk-tolerant.

The development component focuses on the operationalization and execution of marketing strategies, underpinned by Kotler's Marketing Mix Theory. This entails evaluating and strategically implementing product positioning, pricing, distribution (place), and promotional activities to optimize organizational practices and managerial decision-making. Meanwhile, the performance component measures the overall business outcome. This construct is operationalized through objective financial indicators—such as profitability, revenue growth, and financial stability—alongside internal operational metrics, including operational efficiency, employee productivity, and organizational adaptability.

The conceptual framework posits that the robust development and strategic execution of marketing initiatives, when coupled with an elevated financial risk tolerance, directly foster enhanced organizational performance outcomes.

Figure 1. Schematic Diagram of the Study.



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LITERATURE REVIEW

Marketing Strategies in Mall Contexts

Philippine studies affirm the relevance of the 4Ps—Product, Price, Place, Promotion—in organized retail hubs. According to Xia (2023), 4Ps play a crucial role in the success of any company's marketing strategy. The 4Ps framework serves as the architectural foundation of any effective marketing strategy, functioning as a synchronized system that translates a company's high-level vision into actionable commercial execution. Additionally, the marketing mix serves as the operational reflection of a brand's strategic activities, systematically demonstrating how targeted marketing decisions directly generate, strengthen, and sustain brand equity (Niazi et al., 2021). When these four variables work in harmony, they do not merely generate immediate sales; they build a cohesive brand identity that reinforces customer loyalty, grants competitive advantage, and continuously strengthens the financial and psychological value of the brand asset.

A study in Carcar City, Cebu shows SMEs combining in-store promotions and localized messaging with social media to extend reach, demonstrating that community trust and store-level differentiation remain vital (Traya, 2024). This highlights how regional micro, small, and medium enterprises (MSMEs) sustain growth by blending physical retail presence with digital outreach, creating a "phygital" marketing strategy (Mele et. al., 2023). Rather than relying solely on traditional foot traffic or digital advertising, these small retailers integrate in-store promotional tactics—such as exclusive discounts, seasonal displays, and personalized customer service—with hyper-localized messaging across platforms like Facebook, TikTok, and community Viber groups. This hybrid model expands their operational reach beyond localized foot traffic, drawing distant customers while strengthening connections with nearby consumers (Johnson & Barlow, 2021).

Meanwhile a study in Tarlac City describe how smaller retailers coexist with anchor stores by sharpening product positioning, personalizing promotions, and leveraging mall advantages such as accessibility and convenience (Pavico, 2026). The commercial symbiosis between smaller specialty retailers and large anchor stores illustrates how strategic agility enables small businesses to thrive alongside dominant market players within organized retail spaces. For mall tenants, differentiation through exclusive products, value-based pricing, strategic placement, and event-linked promotions enhances visibility and conversion (Leung et al., 2024). Tenants must execute a tightly integrated marketing mix to stand out amidst intense retail clutter. Exclusive products act as the initial hook, giving shoppers a distinct reason to choose a specific storefront over adjacent competitors or mass-market department stores.

Digital and Social Media Marketing

Digital marketing has become a standard extension of mall strategies. Social media marketing strengthens brand equity through consistent content calendars, influencer partnerships, and engagement tactics aligned with mall events (Guillen Jr., 2023). Social media marketing serves as a powerful accelerator for long-term brand equity by maintaining a continuous, multi-channel dialogue with consumers beyond physical store boundaries. According to Belostecinic and Chiriac (2026), sustained investment in brand equity alters consumer perception, shifting the purchase decision from a purely transactional price comparison to an emotional, value-driven choice. When a firm consistently invests in brand building—through product quality, clear positioning, and targeted marketing—it builds strong brand associations and trust in the consumer's mind. Over time, this cumulative investment lowers price elasticity of demand; customers become far less sensitive to price increases because they perceive the brand's unique value as difficult to replace with generic alternatives (Duarte et al., 2024). A survey of SMEs associates Facebook advertising and growth-hacking with improved revenue and retention when campaigns are data-driven (Guillen Jr. & Lim, 2023). Tourism MSMEs offer transferable lessons: SEO, multi-touchpoint content, and engagement reporting improve visibility and conversions, which mall tenants can replicate through online promotions tied to in-store offers.

Financial Risk Attitude

Empirical evidence from the Philippines indicates that financial risk tolerance among SME owners varies according to income level, educational attainment, and liquidity, directly influencing their willingness to invest in promotional activities and business expansion (Rosario, 2023). In the Philippine SME sector, an owner's financial risk tolerance is driven by their capital reserves, income, and education. Higher liquidity and income act as a safety net that encourages strategic investments in marketing and expansion, while advanced education enables data-driven risk management. Conversely, capital-constrained owners prioritize defensive cash preservation over growth-oriented spending (Patil, 2025).

Managers with a strong entrepreneurial orientation exhibit a higher propensity for financial risk-taking—particularly regarding aggressive pricing and promotional spending—which is critical for competing within mall environments where anchor-tenant traffic and rigid lease structures intensify operational pressure (Lagdamen & Tan, 2022).

Ultimately, financial risk disposition directly dictates the scale and velocity of an SME's growth trajectory; Philippine entrepreneurs with greater capital buffers and higher educational backgrounds are systematically more willing to embrace strategic uncertainty to drive commercial growth. Furthermore, research on financial distress highlights the vital role of profitability, liquidity, and leverage in sustaining these strategic marketing initiatives under competitive retail conditions (Rago et al., 2023).

When retail SMEs experience financial distress, marketing budgets are typically the first line items subjected to severe cuts. Consequently, maintaining a balanced financial structure across profitability, liquidity, and leverage is not merely a defensive solvency strategy; it is the prerequisite operational foundation that allows firms to execute proactive marketing strategies without risking illiquidity or insolvency under aggressive mall retail conditions.

While existing literature establishes the independent importance of marketing strategies and financial health in SME survival, there remains a critical empirical gap regarding how financial risk tolerance influences the strategic execution of Kotler's Marketing Mix within the hyper-competitive, high-overhead environment of Philippine shopping malls. Specifically, prior studies have yet to integrate Prospect Theory into an Input–Development–Performance (IDP) framework to explain how socio-demographic drivers and financial buffers (liquidity, leverage) interact to dictate marketing risk-taking, and how this interaction ultimately drives both financial resilience and operational performance.

METHODOLOGY

Research Design

This study employs a descriptive–correlational research design to examine the relationship between the implementation of marketing strategies and the business performance of mall-based SMEs, while evaluating the moderating or mediating role of financial risk attitude. A descriptive design is utilized to profile and summarize the baseline status of the variables, whereas correlational analysis is applied to determine associations among naturally occurring variables without manipulation—an approach widely recognized as suitable for field settings where random assignment is infeasible.

Subject and Respondents of the Study

The subjects were mall-based SMEs (long-term inline stores and short-term kiosks/carts). The respondents were owners, managers, and supervisors who held direct responsibility for marketing and operational decisions, and therefore possessed the necessary insights to evaluate marketing strategies, risk attitudes, and performance outcomes.

Population and Sample Size

The population of this study consisted of 369 SMEs, categorized into two strata: long-term inline stores and short-term kiosks/carts. Using Yamane's formula for finite populations with a 5% margin of error, a sample size of 192 respondents was determined. This sample was proportionally allocated per stratum using stratified random sampling to ensure adequate representation of both inline stores and kiosks.

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Table 1. Distribution of Respondents

Group	N	n	%
Long term in line stores	262	136	70.83%
Short term kiosks/carts	107	56	29.17%
Total	369	192	100%

Sampling Techniques

A stratified random sampling technique was employed in this study to ensure proportional representation across two distinct strata: long-term inline stores and short-term kiosks/carts. Stratification was necessary because the target population comprised heterogeneous groups differing in operational model and tenancy duration. Within each stratum, simple random sampling was applied to accord every SME an equal opportunity for selection. This approach minimized sampling bias and enhanced data representativeness, as widely recommended for research involving distinct organizational subgroups. The computed sample size of 192 respondents was allocated proportionally per stratum, yielding 136 respondents from inline stores and 56 from kiosks or carts.

Data Gathering Instrument

The primary instrument used for the data collection in this study was a modified survey questionnaire specifically designed to gather relevant data on the variables of interest. The questionnaire was structured to obtain comprehensive information in four major areas: demographic profile, business profile, financial risk attitude, and marketing strategies in relation to business performance. The first part collected demographic details such as age, sex, highest educational attainment, and business position. The second part focused on the business profile, including type of business, form of business organization, number of years in operation, and monthly sales.

The third section measured the financial risk attitude of the respondents using items adapted from Grable and Lytton (1999) and anchored on Kahneman and Tversky's (1979) Prospect Theory. These items were modified to suit the context of mall-based SMEs and were evaluated on a four-point scale, with composite scores categorized as either risk-averse or risk-tolerant. The fourth section assessed marketing strategies and business performance through items aligned with Kotler's Marketing Mix framework and empirical SME literature. Marketing strategies were evaluated across the traditional 4Ps—Product positioning, Promotion, Pricing, and Place; meanwhile, business performance was assessed across financial and in-house operational dimensions. Responses for these constructs were measured using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

The instrument underwent content validation by experts to ensure the clarity, relevance, and appropriateness of the items. Reliability was evaluated through a pilot study involving 30 respondents, yielding a Cronbach's alpha of 0.89, which indicates strong internal consistency. These procedures confirmed that the questionnaire was both valid and reliable for the main data collection.

Validity and Reliability of Research Instrument

Before administering the main survey, the research questionnaire underwent a thorough evaluation to ensure its relevance, accuracy, and internal consistency in measuring marketing strategies and business performance among SMEs. Validity is critical to ensuring that the survey items and metrics accurately reflect their intended constructs. In this study, content validity was established to verify that the instrument comprehensively represented the dimensions of marketing strategy, business performance, and financial risk attitude, as evaluated by panel experts.

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Each item in the questionnaire was evaluated using the Research Instrument Validation and Evaluation Form. A mean cut-off score of 3.00 was established for the three-expert validation panel, and the instrument achieved an overall validity score of 3.79, confirming that all items met the criterion for validity and were retained for the survey.

Cronbach's alpha was computed to assess the internal consistency of the survey instrument. Alpha coefficients range from 0 to 1, with higher values reflecting greater scale reliability. Standard psychometric guidelines benchmark values between 0.70 and 0.90 as acceptable to high, whereas values exceeding 0.95 typically signal item redundancy across scale dimensions.

To verify the scale's reliability, a pilot test was conducted with 30 tenants operating in an off-site commercial center. The overall questionnaire yielded an alpha coefficient of 0.99, demonstrating exceptional internal consistency and confirming the clarity and alignment of the items prior to final deployment.

Data Gathering Procedures

Prior to data collection, formal permission was secured from mall management to conduct the study among tenant businesses. Upon approval, the researcher personally visited the selected establishments and distributed the survey questionnaires. The purpose of the study was explained, and respondents were assured of voluntary participation and strict data confidentiality. Informed consent was obtained prior to administering the instrument. Questionnaires were completed at the respondents' convenience and collected immediately upon completion to ensure data completeness and integrity. All gathered data were screened, coded, and processed for statistical analysis with the support of a professional statistician. These procedures strictly adhered to standard ethical guidelines in social science research.

Data Analyses

To describe the demographic and business profiles of the respondents, frequency and percentage distributions were used. Similarly, frequency and percentage distributions were applied to analyze financial risk attitude. Financial risk attitude was measured on a continuous scale ranging from 1 to 40, categorized using the following interpretative scale:

Scale – Interpretation

1–20 – More Risk Averse

21–40 – More Risk Tolerant

To determine the level of marketing strategies and the overall business performance mean was used as the statistical tool.

The level of marketing strategies mean score was interpreted as follows:

Scale	Description	Mean Score Range	Interpretation	Verbal Description
5	Strongly agree	4.21 - 5.00	Highly Effective	Fully believe the strategy is highly effective.
4	Agree	3.41 - 4.20	Effective	Consider the strategy effective.
3	Neutral	2.61 - 3.40	Neutral	Believe the strategy has average or moderate. effectiveness
2	Disagree	1.81 - 2.60	Fairly Satisfactory	Somewhat believes in the strategy.
1	Strongly disagree	1.00 - 1.80	Unsatisfactory	Does not believe the strategy is effective.

The interpretation of the overall level of business performance mean scores followed a similar approach.

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Scale	Mean Range	Interpretation	Description
5	4.21 – 5.00	Highly Satisfactory	Indicates excellent financial and operational performance across areas such as revenue stability, cost management, productivity, and adaptability.
4	3.41 – 4.20	Satisfactory	Indicates good performance, meeting expected standards in financial and in-house operations.
3	2.61 – 3.40	Neutral	Indicates average performance, with some operational strengths but also areas that need improvement.
2	1.81 – 2.60	Fairly Satisfactory	Indicates slightly below expected performance with recurring operational or financial challenges.
1	1.00 – 1.80	Unsatisfactory	Indicates poor performance in financial and internal operations.

The Kruskal–Wallis H test was conducted to determine whether significant differences existed in the level of SME business performance when respondents were grouped according to their business profile. To examine the relationship between financial risk attitude and business performance, the Chi-square test of independence was applied. Finally, Goodman and Kruskal's gamma was computed to assess the strength and direction of the association between marketing strategies and business performance.

PRESENTATION, ANALYSES, AND INTERPRETATION OF DATA

Table 2. Frequency and Percent Distribution of the Respondents

Profile	Category	f	%
Age	30 years old and below	32	16.67
	31-40 years old	70	36.46
	41-50 years old	47	24.48
	51-60 years old	41	21.35
	61 years old and above	2	1.04
	Total	192	100.00
Sex	Male	84	43.75
	Female	108	56.25
	Total	192	100.00
Highest Educational Attainment	College Level	52	27.08
	Degree Holder	89	46.35
	Post Graduate Level	51	26.56
	Total	192	100.00
Business Position	Owner	80	41.67

	Manager	56	29.17
	Supervisor	56	29.17
	Total	192	100.00

As presented in Table 2, the age distribution indicates that respondents were predominantly 31–40 years old (36.46%), followed by those aged 41–50 years (24.48%) and 51–60 years (21.35%). This distribution suggests that most participants were in their prime working years—a stage typically associated with active engagement in strategic decision-making. Female respondents comprised 56.25% of the sample, slightly outnumbering male respondents (43.75%), which reflects the growing involvement of women in SME leadership. Regarding educational attainment, bachelor's degree holders constituted the largest group (46.35%), while 27.08% had attained some college education and 26.56% had pursued postgraduate studies. In terms of role, business owners represented 41.67% of the sample, with managers and supervisors each accounting for 29.17%, confirming that participants held positions with substantial influence over marketing and financial strategies. Overall, these demographic characteristics indicate an educated, experienced sample capable of implementing structured marketing practices and navigating competitive retail environments.

This finding aligns with Kotler’s marketing management framework, which emphasizes managerial capability in executing the 4Ps, and is supported by Nguyen et al. (2021), who found that higher education and leadership roles enhance strategic agility and customer-focused decision-making in SMEs.

Table 3. Business Profile of the Respondents

Profile	Category	f	%
Type of Business	Retailing	47	24.48
	Services	43	22.40
	Food and Beverages	60	31.25
	Health and Wellness	42	21.88
	Total	192	100.00
Form of Business Organization	Single/Sole Proprietorship	66	34.38
	Family Business	67	34.90
	Partnership	59	30.73
	Total	192	100.00
Number of Years in Business Operation	1 year and below	40	20.83
	2-5 years	58	30.21
	6-10 years	55	28.65
	11-15 years	32	16.67
	16 years and more	7	3.65
	Total	192	100.00

Monthly Sales	500,000 and below	41	21.35
	500,001 to 1,000,000	59	30.73
	1,000,001 to 5,000,000	66	34.38
	5,000,001 and up	26	13.54
	Total	192	100.00

As presented in Table 3, Food and Beverages emerged as the leading industry segment (31.25%), followed by Retail (24.48%), Services (22.40%), and Health and Wellness (21.88%). In terms of organizational structure, family businesses and sole proprietorships dominated the sample (34.90% and 34.38%, respectively). A majority of the enterprises had been in operation for either 2–5 years (30.21%) or 6–10 years (28.65%), while the largest annual sales cluster fell within the ₱1,000,001–₱5,000,000 range (34.38%). These structural characteristics reflect customer-centric business models that rely heavily on consistent mall foot traffic, value-aligned pricing, and event-linked promotions. Furthermore, the high prevalence of family-run firms suggests flexible operational decision-making paired with typical resource constraints. Overall, this business profile implies that effective strategy execution in market positioning, pricing, and in-mall promotional activities is vital for sustaining brand visibility and customer conversion.

These empirical findings align closely with Kotler and Armstrong's (2022) core principles of marketing management, particularly regarding product differentiation and price-value positioning. Within mall environments, where physical retail tenants compete directly for consumer attention, setting clear value propositions and competitive pricing structures is critical to establishing market presence.

Furthermore, this outcome is supported by the work of Alalwan et al. (2022), who demonstrated that omnichannel promotional strategies and hyper-localized messaging significantly enhance SME revenue performance within commercial retail hubs. For mall-based enterprises in the Philippines, relying solely on passive storefront exposure is no longer sufficient. Instead, integrating online promotional channels with targeted, foot-traffic-driven mall campaigns creates an integrated customer experience that reinforces brand recall, accelerates purchasing decisions, and drives sustained foot-traffic conversion.

Table 4. Financial Risk Attitude

Financial Risk Attitude	f	%
More Risk Averse (1-20)	29	15.10
More Risk Tolerant (21-40)	163	84.90
Total	192	100.00

As presented in Table 4, a substantial majority of the respondents (84.90%) were categorized as more risk-tolerant, whereas only 15.10% were classified as risk-averse. This distribution suggests a proactive orientation toward capital investments and commercial initiatives—a trait frequently linked with strategic agility and a readiness to commit resources toward marketing, operational expansion, or process improvements when market opportunities arise in emerging-market SMEs.

This finding supports Prospect Theory (Kahneman & Tversky, 1979), which explains organizational decision-making under risk, and aligns with Nguyen and Duong (2020), who reported that risk-tolerant entrepreneurs are more likely to pursue innovative strategies and aggressive market positioning.

Table 5. Level of Effectiveness of Marketing Strategies

Marketing Strategies	n	Mean	Interpretation
Product Positioning	192	3.57	Effective
Promotion		3.52	Effective
Pricing		3.52	Effective
Place		3.49	Effective
As a Whole		3.53	Effective

As presented in Table 5, all marketing mix components were rated as effective, with product positioning registering the highest mean (M = 3.57), followed closely by promotion and pricing (M = 3.52), and place (M = 3.49). The overall grand mean (M = 3.53) fell within the effective range. This indicates that mall tenants actively practice clear product differentiation, value-aligned pricing, high-visibility promotions, and strategic space utilization.

These results align with Kotler's marketing framework, which emphasizes the 4Ps as essential drivers of customer engagement and firm profitability. Furthermore, this outcome supports the findings of Alalwan et al. (2022), who demonstrated that SMEs leveraging integrated promotional and digital strategies achieve enhanced market visibility and sales performance.

Table 6. Summary of Responses as to Business Performance

Business Performance	n	Mean	Interpretation
Financial Performance	192	3.54	Satisfactory
In-House Performance		3.51	Satisfactory
As a Whole		3.53	Satisfactory

As presented in Table 6, overall business performance was rated as satisfactory (M = 3.53), with financial performance (M = 3.54) slightly outperforming operational performance (M = 3.51). Respondents reported acceptable levels of profitability, revenue stability, and internal process control—implying that the strategic alignment between marketing and finance, alongside steady operations, supports moderate commercial success.

This result aligns with empirical evidence demonstrating that selective digital adoption and process discipline enhance efficiency and returns within competitive retail contexts (Lin & Wang, 2020; Oláh et al., 2019).

Table 7. Difference in the Level of Business Performance of SMEs when Grouped according to Business Profiles

Profile	Category	n	Mean Rank	Computed Value (H)	P-value	Interpretation
Type of Business	Retailing	47	88.12	2.780	0.427	Not Significant
	Services	43	99.65			
	Food and Beverages	60	93.68			
	Health and Wellness	42	106.68			

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Form of Business Organization	Single/Sole Proprietorship	66	100.89	3.334	0.189	Not Significant
	Family Business	67	86.57			
	Partnership	59	102.86			
Number of Years in Business Operation	1 year and below	40	81.16	13.506	0.009	Significant
	2-5 years	58	99.28			
	6-10 years	55	103.95			
	11-15 years	32	84.92			
	16 years and more	7	155.50			
Monthly Sales	500,000 and below	41	111.51	6.128	0.106	Not Significant
	500,001 to 1,000,000	59	98.97			
	1,000,001 to 5,000,000	66	91.78			
	5,000,001 and up	26	79.19			

As presented in Table 7, overall business performance did not differ significantly by enterprise sector or organizational structure. However, a statistically significant difference emerged across operating tenure [$H = 13.506$, $p = .009$], with the longest-operating firms ($\geq$ 16 years) recording the highest mean rank. Monthly sales categories revealed no significant variation.

These results suggest that accumulated market experience, routinized operational processes, and established customer bases drive stronger outcomes in mature SMEs. This finding supports Bagis (2023), who highlighted the role of strategic maturity in SME success, and aligns with Anderson (2021), who noted that formal structure alone does not guarantee superior performance.

Table 7a. Comparison on the Number of Years in Business Operations

Comparison	P-value	Interpretation
1 year and below vs. 2-5 years	0.112	Not Significant
1 year and below vs. 6-10 years	0.048	Significant
1 year and below vs. 11-15 years	0.775	Not significant
1 year and below vs. 16 years and more	0.001	Significant
2-5 years vs. 6-10 years	0.654	Not Significant
2-5 years vs. 11-15 years	0.240	Not Significant
2-5 years vs. 16 years and more	0.011	Significant
6-10 years vs. 11-15 years	0.123	Not Significant

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6-10 years vs. 16 years and more	0.021	Significant
11-15 years vs. 16 years and more	0.002	Significant

As presented in Table 7a, post-hoc pairwise comparisons revealed statistically significant performance differences when early-stage firms were contrasted with the 6–10-year and 16-or-more-year cohorts, as well as when mid-stage enterprises were compared with firms operating for 16 years or longer. These contrasts indicate that competitive performance advantages accumulate through organizational maturity, experiential learning, and strategic refinement—a pattern widely documented in SME literature, where process discipline and brand familiarity expand over time (Bagis, 2023).

Table 8. Relationship between Financial Risk Attitude and Business Performance

Financial Risk Attitude	Level of Business Performance					
	Highly Satisfactory	Satisfactory	Neutral	Fairly Satisfactory	Unsatisfactory	Total
More Risk Averse	4	12	13	0	0	29
More Risk Tolerant	2	98	62	1	0	163
Total	6	110	75	1	0	192

Computed Value (x^2) : 14.419

P-Value : 0.002

Decision : Reject Ho

Interpretation : Significant at 0.05 level of significance

As shown in Table 8, financial risk attitude is significantly associated with business performance ($p = 0.002$), with risk-tolerant respondents clustering at higher frequencies in the “Satisfactory” performance category. This pattern suggests that a willingness to take calculated risks aligns with more favorable outcomes—plausibly through targeted investments in promotion, capacity building, or market expansion that support sales and operating results in mall retail. This distributional pattern suggests that a deliberate willingness to assume calculated financial exposure aligns with superior operational and market outcomes. Within the high-overhead environment of Philippine shopping malls, decision-makers exhibiting higher risk tolerance are more inclined to commit discretionary capital toward proactive promotional initiatives, inventory scaling, and store capacity expansion. This finding aligns with Nguyen and Duong (2020) and Abubakar and Ayoade (2020), who concluded that risk-taking behavior enhances competitiveness and adaptability in SMEs. In volatile market environments, risk-taking behavior functions as an operational catalyst that converts passive organizational awareness into proactive competitive action. Rather than reacting defensively to shifting consumer demands or aggressive rival tactics, risk-tolerant enterprise leaders are willing to allocate resources toward untested markets, novel product configurations, or unproven promotional channels.

Table 9. Relationship between Marketing Strategies and Business Performance

Level of Marketing Strategies	Level of Business Performance					
	Highly Satisfactory	Satisfactory	Neutral	Fairly Satisfactory	Unsatisfactory	Total

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Highly Effective	4	3	0	0	0	7
Effective	1	67	45	1	0	114
Moderately Effective	1	40	30	0	0	71
Less Effective	0	0	0	0	0	0
Not Effective	0	0	0	0	0	0
Total	6	110	75	1	0	192

Computed Value (G) : 0.209

P-Value : 0.140

Decision : Accept Ho

Interpretation : Not significant at 0.05 level of significance

The empirical findings detailed in Table 9 present a nuanced perspective on how marketing execution influences firm outcomes among mall-based retail tenants. Although descriptive observations indicate a positive trend—where higher marketing strategy ratings coincide with elevated performance satisfaction—Goodman and Kruskal's Gamma test reveals that this association is not statistically significant ($G = 0.209$, $p = 0.140$). Rather than undermining the value of marketing, this result suggests that strategy execution alone is insufficient to drive superior performance unless supported by critical organizational enablers, such as leadership discipline, financial buffers, and dynamic operational capabilities.The descriptive distribution further illuminates this dynamic, showing that the majority of respondents rated their marketing strategies as Effective ($n = 114$), followed by Moderately Effective ($n = 71$), and a smaller segment as Highly Effective ($n = 7$). Taken together, the non-significant association and baseline clustering indicate that standard marketing practices are widely executed across mall tenants, functioning as an entry-level operational requirement rather than a primary differentiator. Consequently, marketing activities drive measurable performance uplift primarily when integrated with data-driven decision-making, refined pricing analytics, campaign optimization, and seamless omnichannel processes that convert foot traffic into sustained operating margins. These insights strongly align with SME literature emphasizing that marketing strategies yield their highest returns when backed by underlying operational readiness and managerial capability (Kotler & Armstrong, 2022; Lin & Wang, 2020; Nguyen et al., 2021).

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

Summary of Findings

This study aimed to evaluate the marketing strategies and financial risk attitudes of Small and Medium Enterprises (SMEs) in relation to business performance to serve as the baseline for a proposed enhancement program. Demographically, the largest proportion of respondents fell within the 31–40 age bracket, whereas individuals aged 61 and older represented the smallest group. In terms of gender, females comprised the majority of participants. Regarding educational attainment, bachelor's degree holders formed the largest group, while postgraduate degree holders accounted for the smallest percentage. Finally, by organizational role, business owners represented the primary respondent group, whereas managers and supervisors comprised the remainder.

Findings revealed that food and beverage enterprises constituted the largest industry segment, whereas health and wellness businesses represented the smallest. In terms of business structure, family-owned enterprises predominated, while partnerships comprised the lowest proportion. Regarding operational tenure, SMEs operating for two to five years formed the primary cohort, whereas firms in business for 16 years or longer were

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the least represented. Finally, across monthly revenue tiers, the ₱1,000,001 to ₱5,000,000 category recorded the highest frequency, while the ₱5,000,001 and above bracket accounted for the lowest.

Marketing strategies were rated as effective overall (M = 3.53). Among the four dimensions, product positioning ranked highest, followed by promotion, pricing, and place/distribution. Business performance was similarly assessed as satisfactory (M = 3.53), with financial performance slightly exceeding operational performance. A statistically significant difference in performance emerged across operational tenure (p = .009), as SMEs operating for 16 years or longer outperformed those in earlier developmental stages. Additionally, a significant relationship was identified between financial risk attitude and firm performance (p = .002), indicating that risk-tolerant SMEs achieved superior performance outcomes compared to their risk-averse counterparts.

Although positive, the relationship was not statistically significant (p = .140), suggesting that marketing strategies alone do not guarantee improved performance without complementary internal systems.

CONCLUSIONS

Mall-based Small and Medium Enterprises (SMEs) are typically led by educated individuals in their prime working years, with substantial female representation across key leadership roles, including ownership and executive management. These leaders generally exhibit a risk-tolerant financial attitude, demonstrating a readiness to assume calculated risks to drive enterprise growth despite prevailing market uncertainties. Although their marketing strategies—encompassing product positioning, pricing, placement, and promotion—are currently effective, they have not yet achieved peak execution, leaving unexploited opportunities unique to the mall retail environment. Operationally and financially, these enterprises perform satisfactorily but have not attained optimal efficiency, indicating that enhancements in internal process control and workforce productivity could further elevate performance outcomes. Notably, business longevity serves as a critical determinant of success, with mature SMEs operating for 16 years or longer outperforming younger firms, thereby highlighting the competitive advantage of cumulative market experience. Furthermore, while a risk-tolerant mindset is directly and significantly associated with superior firm performance, marketing strategies alone do not yield statistically significant gains unless reinforced by robust internal management, adequate resource capabilities, and integrated operational systems.

RECOMMENDATIONS

To enhance the overall performance of mall-based SMEs, a comprehensive Enhancement Program is recommended, beginning with targeted training workshops. This includes advanced marketing sessions anchored in Kotler's 4Ps (Product, Price, Place, and Promotion) that incorporate data-driven decision-making and digital marketing techniques, alongside financial management modules grounded in Prospect Theory to help leaders better evaluate risks and navigate uncertainty. To foster long-term enterprise development and operational efficiency, the program should integrate structured mentorship and coaching for early- and mid-stage SMEs while establishing strategic partnerships with mall management and local institutions for cost-reducing joint campaigns and shared marketing platforms. Furthermore, program sustainability should be maintained through continuous feedback mechanisms and performance tracking systems, supplemented by regular collaborative forums where SMEs and mall management can evaluate sales performance, exchange best practices, and facilitate peer learning. Finally, future studies exploring innovation capacity, digital transformation, and leadership styles are recommended to ensure the framework remains responsive to dynamic retail environments. Subsequent research may also adopt longitudinal designs, utilize objective financial metrics, and expand geographical coverage to enhance external validity and generalize these findings.

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