

## Marketing Activities and Profitability of Small and Medium Enterprises in Municipality of Estancia, Iloilo



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**ABSTRACT:** The emergence of small and medium enterprises (SMEs) has indeed revolutionized the world's economy. Small and medium enterprises have made tremendous economic impact in most economies of countries around the world, especially those which were devastated by either natural or man-made disasters. The inroads of SMEs in the market had paved the way for most countries like the Philippines to prime its economy and moved forward towards economic recovery and growth.

Estancia is one of the municipalities in the province of Iloilo which had lately been blessed with the coming of SMEs that are engaged in business with both consumable and non-consumable goods. The interest of identifying the factors that influenced the sales and after sales of SMEs in the locality was the primary reason why this research study was conducted. This study aimed to describe the marketing activities of the 152 SMEs in Estancia, Iloilo in terms of sales and after sales using the research-made questionnaire as instrument of the study.

The results of the study showed that the marketing activities of the SMEs in terms of sales and after sales were satisfactory and mostly likely have caused the business to be stable and provided business operators to upgrade the quality of their life. As SMEs continue to act and provide as one of the pillars of the town's economic recovery and growth, there is a need for the Local Government Unit (LGU) to provide the necessary avenues for collaboration and synergy with them. The LGU should try to see to it that through its comprehensive land use planning, priority should be given to the SMEs in the town particularly in terms of their location as to type of business and ensure the sustainability of their business.

**KEYWORDS:** Marketing activities, profitability, consumable and non- consumable goods

### 1. INTRODUCTION

The heart of business success lies in its marketing. According to Margareta (2016), most aspects of small and medium business depend on successful marketing. Without marketing, potential customers may never be aware of the business offerings, business may not be given the opportunity to progress and succeed. Using marketing to promote products or commodities provides business with a chance of being discovered by prospective customers. For a business to succeed, the products it provides must be known to potential buyers. Unless business is known in the community and has communication with customers readily available, it allows small and medium enterprises to be successful and grown in the marketplace.

In the European Union, Small and medium-sized enterprises (SMEs) are non-subsidiary, independent firms which have characteristics as they employ fewer than a given number of employees. However, the limitation numbers of employee are various across countries. Some countries set the limit at 200 employees.

In United States SMEs can be defined as a firms with fewer than 500 employees. The direct result of managing various economic resources and their efficient use within operational, investment and financing activities is in the SMEs level performance (Burja, C., 2011, in Margaretha, F., & Supartika, N., 2016).

In Indonesia, the role and contribution of SMEs in the national economic structure not only become one of the national priorities but also the hope for accelerated development. National SMEs firm is one of the pads that keep the national economy especially when there is a shocks or external pressure. If the current global economy worsens, SMEs firm act as a pillar of national economic growth and job creation (Salaman, et. al., 2016).

Small and business enterprises contribute significantly to economic growth, social stability and equity. This is one of the most important vehicles through which low income people can escape poverty. With limited skills and education to compete for formal

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sector jobs, these men and women find economic opportunities in small and medium enterprises or business owners and employers (Businessword.com, 2007).

Given their dynamic and productive characteristics, small and medium enterprises (SMEs) are seen as crucial for a country's economic growth, employment creation and innovation (Aldaba, 2007). As of 2008, the Philippines had a little over 761,000 registered enterprises with 91.6% for micro enterprises and 31.2% small and medium enterprises. In terms of country's employment data, small and medium enterprises have contributed an estimated of 28% share (Aldaba,2007). As new technologies and globalization reduces the importance of economies of scale in many activities, the potential contribution of small and medium enterprises is being shown (Policy Brief,2000).

In the Municipality of Estancia, which is a second class municipality in the province of Iloilo, small and medium enterprises had been established knowing that it is known around the country as a center of commercial fishing and it carries the name as "Little Alaska" of the Philippines (www. Iloilo.gov.ph.) The title however, has gradually receded because of the continuing depletion of the municipality's aquatic and marine resources due to unregulated illegal fishing and related activities in this place. Hence, the once flourishing fishing industry in the town gradually becomes an alternative means of livelihood because other means of generating income developed like the increasing number of small and medium enterprises (SMEs).

Hence, it is within the foregoing context that the researcher would like to find out the marketing activities and profitability of the small and medium enterprises in Estancia, Iloilo. This study would like also to ascertain whether these marketing activities and profitability of SMEs contribute to the economic development and may help alleviate the scarcity of employment opportunities in the said place.

This study was conducted to determine the marketing activities and profitability of small and medium enterprises in Estancia Iloilo.

Specifically, this study sought to answer the following questions:

1. What is the socio demographic profile of small and medium enterprises owners in terms of sex, monthly income, type of business, and length of business establishment?
2. What is the level of marketing activities of small and medium enterprises (SME's) owners in terms of sales and after sales when they are taken as an entire group and when classified according to sex, monthly income, type of business and length of business establishment?
3. What is the level of profitability of small and medium enterprises owners in terms of consumable goods and non-consumable goods when they are taken as entire group and when classified according to sex, monthly income, type of business and length of business establishment?
4. Is there a significant difference in the level of marketing activities of small and medium enterprises (SME's) owners in terms of sales and after sales when they are classified according to sex, monthly income, type of business and length of business establishment?
5. Is there a significant difference in the level of profitability of small and medium enterprises (SME's) owners in terms of consumable goods and non-consumable goods when they are classified according to sex, monthly income, type of business, and length of business establishment?
6. Is there a significant relationship between the level of marketing activities and the level of profitability of SMEs owners when they are classified according to sex, monthly income, type of business, and length of business establishment?

This study was supported by the basic "Marketing Theory" which states that to maximize sales, a company must position its products or services in the marketplace in such a way that consumers believe they need a particular product or services or that a product or services they need has a particular benefit. It is therefore on the basis of the foregoing theory that this study was conceived and developed.

The aim of this study is to find out the marketing activities and profitability of small and medium enterprises (SMEs) which have started to develop and increased in number in the town of Estancia, Iloilo. Likewise, it is geared to address by gathering the necessary data the truth behind the presumption that the economic recovery and continuous economic growth of the locality is associated with the increasing number of SMEs and the contention of Gilmore et al ( 2001) as cited by Hassan (2014), which stated that " small and medium business is likely to be haphazard, informal, loose, unstructured, spontaneous and more reactive than proactive due to the characteristics and limitations of their owner-manager, resources, market impact-and organizational structures" (Gilmore et al., in Hassan, 2014). Their marketing activities tend to be pragmatic, practical and adopted to suit their unique situation (Carson and Gilmore 272, in Hassan, 2014), and informal and unplanned, relying on the intuition and energy of an individual, i.e. owner manager (Hassan, 2014).

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### CONCEPTUAL FRAMEWORK AND SCHEMATIC DIAGRAM

This study is anchored on the concept of Drucker (1998) which states that “the purpose of business is to create and keep customers, it has two central functions: the basic function of marketing is to attract and retain customers at a profit”. Profitability is the ratio to measure the performance of the company. It is the main aspect in a company’s financial reporting. The profitability of a company shows the company's ability to generate earnings for a certain period at a consumable goods and certain non-consumable goods (Margaretha, F. & Supartika, N., 2016).

Marketing facilitates the exchange process by providing a variety of marketing activities that benefit customers and other stakeholders. It involves adjusting the whole activity of a business to the needs of the consumers and other stakeholders.

With the aforementioned conceptual framework, this study is premised on the principle that certain demographic profiles (independent variable) of the respondents and the level of their marketing activities in terms of sales and after sales (intervening variables) influence to a varying degree or extent the profitability of the SMEs owners (dependent variables). Figure 1 presents the schematic diagram of the study.

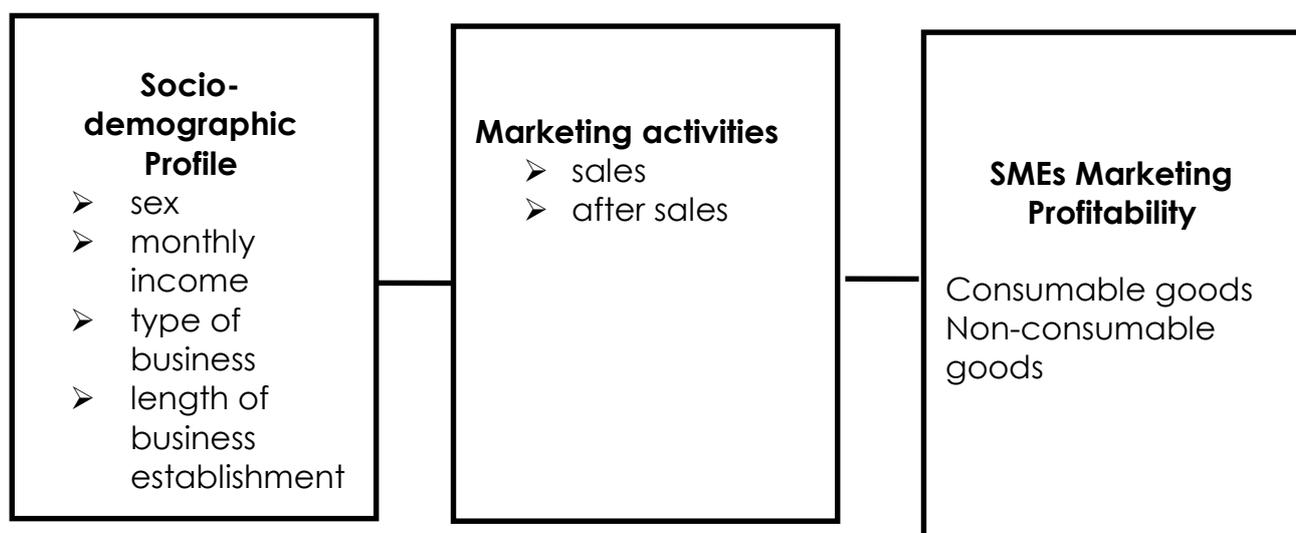


Figure 1. The systematic diagram showing the relationships among the variables used in the study.

#### A. Research Design

The study utilized a descriptive method of research. Descriptive research is defined as a purposive process of gathering, analysing, classifying and tabulating data about prevailing conditions, practices, beliefs, processes, trends, and making accurate interpretation about such data with or without the aid of statistical method (Calderon, 1993).

It also aims to describe the status, events, places, people, or subjects as they exist (Padua, 2000) and so, in this study, descriptive research will be used to determine the marketing activities and profitability of small and medium enterprises’ owners in the Municipality of Estancia, Province of Iloilo that could recompense the loss of the fishing industries which lead to the socio-economic development of the place.

The researcher likewise employed the correlation research of the descriptive method to determine the relationships between the independent and dependent variables. The researcher used the quantitative approach to determine the marketing activities and profitability of SME’s in the Municipality of Estancia, Iloilo. This method deemed appropriate for the present study because it sought to describe marketing activities and profitability of SME’s respondents.

#### B. Participants of the Study

The respondents of the study are the small and medium enterprises owners in Estancia, Iloilo. According to the LGU, there are 250 SMEs establishments operating in the locality.

Random sampling was used to identify the respondents and the Cochran’s Formula as a means to determine the sample size:

$$\begin{aligned}
 N &= \frac{\frac{t^2 PQ}{d^2}}{1 + \frac{1}{N} \left( \frac{t^2 PQ}{d^2} - 1 \right)} \\
 &= \frac{\frac{(1.96)^2 (0.5)(0.5)}{0.05}}{1 + \frac{1}{250} \left[ \frac{(1.96)^2 (0.5)(0.5)}{0.05} - 1 \right]} \\
 &= \frac{384.16}{1 + \frac{1}{250} (383.16)} \\
 &= \frac{384.16}{2.53264} \\
 &= 151.68 \\
 &= 152
 \end{aligned}$$

Where:

N = Total population (250)

t = area of both tails at 1.96

d = margin of error at 0.05

p = is the estimated proportion of an attribute that is present in population (0.5)

q = estimated of variance (0.5)

### Instrument Development

In gathering the data for the study, the researcher – made questionnaire was used. It consists of two parts: Part 1: Socio-demographic profile of small and medium enterprise owners Part 2: Determination of marketing activities (sales and after sales) and profitability of small and medium enterprise owners which consists of the items with the corresponding rating scale and verbal interpretation such as: 1= never, 2= seldom, 3=fairly often, 4=often and 5= all the time respectively.

Further, to determine the level of marketing activities and profitability, the researcher used the following rating scale and verbally interpreted as follows:

#### Grand Mean values Verbal Interpretation

4.21 - 5.0	-	outstanding
3.41 - 4.20	-	Satisfactory
2.61 - 3.40	-	Satisfactory
1.81 - 2.60	-	Moderately Satisfactory
1.00 - 1.80	-	Unsatisfactory

The questionnaire was subjected to validation by a panel of jurors who are knowledgeable of the topic. They determined whether the items were accepted, rejected or revised. The researcher set an 80% agreement to all items as recommended by the jurors.

The questionnaire were submitted for reliability testing to 30 owners of small and medium enterprises in Balasan, Iloilo utilizing Cronbach Alpha.

The 0.05 significant level was used as the basis for accepting or rejecting the null hypotheses.

### C. Data Gathering Procedure

#### Data Gathering and Procedure

After having established the validity and reliability of the questionnaire, the instrument was reproduced according to the number of respondents. The survey was fielded from to November 2016 to December 2016. Prior to the conduct of the study, the researcher gave a letter of request to the respondents of the study to grant her permission to administer her researcher - made questionnaire. The respondents were given copies of the validated instruments, with assurance that their answers will be treated with confidentiality.

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To obtain a high percentage of return, the researcher distributed the questionnaire personally and retrieved them on the agreed schedule. The data gathered were tallied, interpreted, and analysed.

### Data Analysis and Interpretation Procedure

For the interpretation of data, the following statistical tools were used:

Frequency counts was used to determine the responses of the respondents when they were classified according to their socio demographic profile.

Mean was used to determine the perceptions of the respondents towards the level of marketing activities and profitability of small and medium enterprises.

T- test was used to determine the significant difference of the level of marketing activities of SMEs owners when they were grouped according to the following: sex, monthly income, type of business, and marketing activities.

This was also used to determine the significant difference of the profitability of SMEs owners when they were grouped according to the following: sex, monthly income, type of business, and length of business.

Person- r was used to determine the significant relationship between the level of marketing activities and the level of profitability of small and medium enterprises when they were classified according socio demographic profile.

### Profile of the Respondents

The data came from a questionnaire that was completed by 152 Small and Medium Enterprises (SMEs) business owners from various business establishments in Estancia, Iloilo. The socio-demographic characteristics of the small and medium enterprises / owners are summarized in table 2.

The survey population contained a higher concentration of female SME's owners, as 108 (71.1 per cent) respondents while 44 (28.90 per cent) are male SME's owners or a difference of 64 (42.11 percent).

Table 2 shows two type of business that continue to thrive and prosper in the municipality of Estancia, 99 (65.10 per cent) respondents are into selling non-consumable goods which are more dominant in the market and 53 (34.90 percent) are engaged in selling consumable goods.

Eighty five (85) respondents of 55.90 per cent whose length of business is above 5 years while 67 (44.10 per cent) respondents whose length of business is 5 years and below.

Likewise, ninetyfour (94) respondents have monthly income of 31,000 and below (61.80 per cent) while 58 respondents having monthly income of 31,000 and above (38.20 per cent).

**Table 2. SMEs Personal and Business Profile.**

VARIABLES	FREQUENCY	PERCENTAGE
Sex		
Male	44	28.90
Female	108	71.10
Total	152	100.00
Monthly Income		
31,000 and above	58	38.20
Below 31,000	94	61.80
Total	152	100.00
Type of Business		
Consumable	53	34.90
Non-Consumable	99	65.10
Total	152	100.00
Length of Business		
5 years and below	67	44.10
Above 5 years	85	55.90
Total	152	100.00

### Presentation of Data/Results

#### Level of Marketing Activities of the Respondents in Terms of Sales

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The data in table 3 presents similarities in the degree of assessment on the level of marketing activities in terms of sales as perceived by the respondents. All the ten (10) items were found to be “very satisfactory” with a grand mean of 3.64. 1-“Greetings customers” (x=3.77); 2- “ Assisting customers” (x=3.77); 3- “Staying in the store to guide staff” (x=3.45); 4- “Offer discount for frequent customers” (x=3.45); 5- “Making products available at all times” (x=3.59); 6- “Being ready for customers’ questions” (x=3.61); “Offering prices among the competitors” (x=3.51); 8- “ Maintaining friendly atmosphere while taking talking to the customers” (x=3.78); 9- “Asking questions to the customers in order to know what they need (x=3.78); 10- “ Maintaining proper display of products with tags (x=3.63).

**Table 3. Level of marketing activities of the SMEs in terms of sales**

Marketing activities	Mean	Description
1. Greeting customers.	3.70	Very satisfactory
2. Assisting customers.	3.77	Very satisfactory
3. Staying in the store to guide staff.	3.61	Very satisfactory
4. Offer discounts for frequent customers.	3.45	Very satisfactory
5. Making products available at all times.	3.59	Very satisfactory
6. Being ready for customer’s questions.	3.61	Very satisfactory
7. Offering prices among the competitors.	3.51	Very satisfactory
8. Maintaining friendly atmosphere while talking to the customers	3.70	Very satisfactory
9. Asking questions to the customers in order to know what they need	3.78	Very satisfactory
10. Maintaining proper display of products with tags.	3.63	Very satisfactory
Grand Mean	3.64	Very satisfactory

Grand Mean values Description

4.21 - 5.0	-	Outstanding
3.41 - 4.20	-	Very Satisfactory
2.61 - 3.40	-	Satisfactory
1.81 - 2.60	-	Moderately Satisfactory
1.00 - 1.80	-	Unsatisfactory

Level of Marketing Activities of the Respondents in Terms of After Sales

Table 4 presents the level of marketing activities of the small and medium enterprises in term of after sales. The level of marketing activities of the respondents in terms of after sales fall within two categories namely “very satisfactory” and “satisfactory”. Perceived within the range of “very satisfactory” are marketing activities 1- “Assisting customers as to the proper handling” (x=3.51); 4-“Providing follow-up call to customers” (x=3.34); 5- “ Providing remedies to customers”(x=3.47); 6- “Implementing the usual “no return no exchange policy” to customers (x=3.53); 7-“ Saying thank you after selling the products to the customers” (x=3.68); 8-“Cordial and nice to customers anywhere”(x=3.75); 9- “Making sure that the change is given”(x=13.72); 10-“ Giving the necessary receipts of purchased to the customers after products were sold” (x=3.52); and perceived within the range of “satisfactory” 2-“ Giving a call or text to customers after product delivery” (x=3.19); and 3-“Giving tips as to how customers should take care of their purchases” (x=3.21).

**Table 4. Level of marketing activities of the SMEs in terms of after sales**

Marketing activities	Mean	Description
1. Assisting customers as to the proper handling	3.51	Very satisfactory
2. Giving a call or text to customers after product delivery.	3.19	Satisfactory
3. Giving tips as to how customers should take care of their purchases.	3.21	Satisfactory
4. Providing follow – up call to customers.	3.34	Very satisfactory
5. Providing remedies to customers.	3.47	Very satisfactory
6. Implementing the usual “no return no exchange” policy to the customers.	3.53	Very satisfactory
7. Saying thank you after selling the products to the customers.	3.68	Very satisfactory
8. Cordial and nice to customers anywhere.	3.75	Very satisfactory

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9.	Making sure that the customer's change is given.	3.72	Very satisfactory
10.	Giving the necessary receipts of purchase to the customers after products were sold.	3.52	Very satisfactory
Grand Mean		3.49	Very satisfactory

### Grand Mean values Description

4.21 - 5.0	-	Outstanding
3.41 - 4.20	-	Very Satisfactory
2.61 - 3.40	-	Satisfactory
1.81 - 2.60	-	Moderately Satisfactory
1.00 - 1.80	-	Unsatisfactory

### Level of Marketing Activities (Sales) when Respondents were Grouped According to Profile

The data in Table 5 present similarities in the degree of perception on the level of marketing activities (sales) when respondents were grouped according to profile. All the 4 categories were found to be "very satisfactory". The following categories are as follows: A. Sex: "male" (x=3.48); "female" (x=3.78); B. Monthly Income: "31,000 and above" (x=3.70); below 31,000 (x=3.60); C. Type of Business: "consumable" (x=3.58); "non-consumable" (x=3.58); D. Length of Business: "5 years and below" (x=3.66); and "above 5 years" (x=3.62).

**Table 5. Level of marketing activities (Sales) when respondents were grouped according to profile.**

VARIABLES	MEAN	DESCRIPTION
Sex		
Male	3.48	Very satisfactory
Female	3.71	Very satisfactory
Monthly Income		
31,000 and above	3.70	Very satisfactory
Below 31,000	3.60	Very satisfactory
Type of Business		
Consumable	3.75	Very satisfactory
Non-Consumable	3.58	Very satisfactory
Length of Business		
5 years and below	3.66	Very satisfactory
Above 5 years	3.62	Very satisfactory

### Level of Marketing Activities (after sales) when Respondents were Grouped According to Profile

Table 6 presents the data of the level of marketing activities (after sales) when respondents are grouped according to profile. Only the category under Sex has a "satisfactory" rating "Male" (x=3.24); the rest of the categories were found to be "very satisfactory", Sex-"Female" (x=3.60); Monthly Income- "31,000 and above" (x=3.56); "Below 31,000" (x=3.45); Type of Business- "Consumable" (x=3.54); "Non-consumable" (x=3.46); Length of business- "5 years and below"(x=3.44); and "Above 5 years" (x=3.53).

**Table 6. Level of Marketing Activities (After Sales) when Grouped According to profile.**

VARIABLES	MEAN	DESCRIPTION
Sex		
Male	3.24	Satisfactory
Female	3.60	Very satisfactory
Monthly Income		
31,000 and above	3.56	Very satisfactory
Below 31,000	3.45	Very satisfactory
Type of Business		

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Consumable	3.54	Very satisfactory
Non-Consumable	3.46	Very satisfactory
Length of Business		
5 years and below	3.44	Very satisfactory
Above 5 years	3.53	Very satisfactory

### Level of Profitability (Consumable Goods) of the SMEs

The data in Table 7 present similarities in the level of profitability of Small and Medium Enterprises(SMEs) owners when they are grouped in terms of consumable goods. All the 10 marketing activities were found to be “satisfactory” with a grand mean of 3.01. 1(x=3.09)- “Pastries” (x=3.07); 2- “Bottled Water” (x=2.97); 3- “Fruits” (x=2.99); 4- “Vegetables” (x=3.09); 5- “Burger” (x=3.06); 6- “Beverages” (x=3.09); 7- “Laundry Products” (x=3.02); 8- “ Condiments” (x=2.94); 9- “Canned goods” (x=2.87); 10- “Sanitary needs” (x=2.96).

**Table 7. Level of Profitability (Consumable) of the SMEs**

Marketing activities	MEAN	DESCRIPTION
1. Pastries	3.07	Satisfactory
2. Bottled Water	2.97	Satisfactory
3. Fruits	2.99	Satisfactory
4. Vegetables	3.09	Satisfactory
5. Burger	3.06	Satisfactory
6. Beverages	3.09	Satisfactory
7. Laundry Products	3.02	Satisfactory
8. Condiments	2.94	Satisfactory
9. Canned Goods	2.87	Satisfactory
10. Sanitary Needs	2.96	Satisfactory
Grand Mean	3.01	Satisfactory

### Level of Profitability (Non-Consumable Goods) of the SMEs Owners

Table 8 shows that the perceived level of profitability of the SMEs owners in terms of non-consumable goods is “satisfactory”, this is shown by the grand mean of 2.85. Similarly, all 10 items were also found to be “satisfactory”. 1- “Office Supplies (x=2.87); 2- “School supplies” (x=2.77); 3- “ furniture” (x=2.75); 4- “Beauty products” (x=2.77); 5- “ Laptop” (x=2.88); 6- “Auto supply” (x=2.78); 7- “Gadgets” (2.91); 8-“Electrical supplies” (x=2.75); 9-“construction supplies” (x=2.95); 10- “Appliances” (x=2.93)

**Table 8.Level of profitability (non-consumable) of the SMEs**

Marketing activities	MEAN	DESCRIPTION
1. Office Supplies	2.87	Satisfactory
2. School Supplies	2.77	Satisfactory
3. Furniture	2.75	Satisfactory
4. Beauty Products	2.77	Satisfactory
5. Laptop	2.88	Satisfactory
6. Auto Supply	2.78	Satisfactory
7. Gadgets	2.91	Satisfactory
8. Electrical Supplies	2.95	Satisfactory
9. Construction Supplies	2.91	Satisfactory
10. Appliances	2.93	Satisfactory
Grand Mean	2.85	Satisfactory

### Level of Profitability (Consumable Goods) when Grouped According to Profile

Table 9 also shows similarity in the level of profitability of SMEs owners in Estancia, in terms of consumable goods. All the 8 items under the four categories namely, sex, monthly income, type of business, and length of business, were found to be “satisfactory”.

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1- "Male" ( $x=2.98$ ); 2- "Female" ( $x=3.02$ ); 3- "31,000 and above" ( $x=2.86$ ); 4- "Below, 31,000" ( $x=3.11$ ); 5- "Consumable good" ( $x=3.02$ ); 6- "Non-consumable goods" ( $x=3.00$ ); 7- "5 years and below" ( $x=3.18$ ); and 8- "Above 5 years" ( $x=2.88$ ).

**Table 9. Level of profitability (consumable) when grouped according to profile.**

VARIABLES	MEAN	DESCRIPTION
Sex		
Male	2.98	Satisfactory
Female	3.02	Satisfactory
Monthly Income		
31,000 and above	2.86	Satisfactory
Below 31,000	3.11	Satisfactory
Type of Business		
Consumable	3.02	Satisfactory
Non-Consumable	3.00	Satisfactory
Length of Business		
5 years and below	3.18	Satisfactory
Above 5 years	2.88	Satisfactory

Level of Profitability (Non-consumable Goods) when Grouped According to Profile.

The data in Table 10 also presents similarity in the perceived level of the respondents in terms of profitability (non-consumable goods) when they are grouped according to profile. All 8 items under the four categories namely, sex, monthly income, type of business, and length of business were found to be "satisfactory". 1- "Male" ( $x=2.83$ ); 2- "female" ( $x=2.87$ ); 3- "31,000 and above" ( $x=2.87$ ); 4- "Below 31,000" ( $x=2.87$ ); 5- "Consumable" ( $x=2.82$ ); 6- "Non-consumable goods" ( $x=2.87$ ); 7- "5 years and below" ( $x=3.03$ ); 8- "Above 5 years" ( $x=2.73$ ).

**Table 10. Level of profitability (non-consumable) when grouped according to profile.**

VARIABLES	MEAN	DESCRIPTION
Sex		
Male	2.83	Satisfactory
Female	2.87	Satisfactory
Monthly Income		
31,000 and above	2.79	Satisfactory
Below 31,000	2.89	Satisfactory
Type of Business		
Consumable	2.82	Satisfactory
Non-Consumable	2.87	Satisfactory
Length of Business		
5 years and below	3.03	Satisfactory
Above 5 years	2.73	Satisfactory

Differences in the Level of Marketing Activities between SMEs Owners' Sex

This study found out that there was a significant difference in the level of marketing activities between the respondents' sex using t-test a statistical tool. As shown in table 11, the computed value or the probability is 0.022,  $t(152)=-2.312$  which is lower than 0.05 alpha level of significance. It is assumed that female respondents are more aware of marketing activities as compared to their male counterpart.

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**Table 11. Test for Differences in the Level of Marketing Activities between Sex of the SMEs Owners**

Levene's Test for Equality of Variances		t-test for Equality of Means							
F	Sig.	T	df	Sig. (2-tailed)	Mean Diff.	Std. Error Diff.	95% Confidence Interval of the Difference		Probability
							Lower	Upper	
2.51	.115	-2.312	152	0.022	-27218	.1177	-.50475	-.03961	Significant

\*p<0.05 (significant)

Differences in the Level of Marketing Activities between SMEs Owners' Monthly Incomes

Presented in table 12 is the result of the independent sample t-test on the differences in marketing activities of the respondents according to their monthly income. With alpha level .05, this study did not reveal any statistically significant differences between monthly income of 31,000 below and 31, 000 above ( $t(152) = 0.885, p=0.378$ ).

**Table 12. Test for Differences in the Level of Marketing Activities between Monthly Income of the SME's Owners**

Levene's Test for Equality of Variances		t-test for Equality of Means							
F	Sig.	T	Df	Sig. (2-tailed)	Mean Diff.	Std. Error Diff.	95% Confidence Interval of the Difference		Probability
							Lower	Upper	
0.169	.681	.885	152	0.378	.09870	.11154	-.12169	.31909	Not Significant

\*p > 0.05 (not significant)

Differences in the Level of Marketing Activities between SMEs Owners' Type of Business

Table 13 displays the result of comparison of consumables goods and non – consumables goods as a type of business of the respondents. There appears to be no significant difference in the level of marketing activities between the groups of consumable and non – consumable ( $t(152) = 1.002, p=0.308$ ).

**Table 13. Test for Differences in the Level of Marketing Activities between Type of Business of the SMEs Owners**

Levene's Test for Equality of Variances		t-test for Equality of Means							
F	Sig.	T	Df	Sig. (2-tailed)	Mean Diff.	Std. Error Diff.	95% Confidence Interval of the Difference		Probability
							Lower	Upper	
0.091	.763	1.022	152	0.308	.11611	.11369	-.10835	.34057	Not Significant

\*p > 0.05 (not significant)

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Differences in the Level of Marketing Activities between SMEs Owners' Lengths of Business

With an alpha level 0.05, the results demonstrated clearly in table 14 that there was no significant difference in the level of marketing activities between the length of business ( $t(152) = .340, p = 0.734$ ) of SMEs owner

**Table 14. Test for Differences in Marketing Activities between Length of Business of the SMEs Owners**

Levene's Test for Equality of Variances		t-test for Equality of Means							
F	Sig.	T	Df	Sig. (2-tailed)	Mean Diff.	Std. Error Diff.	95% Confidence Interval of the Difference		Probability
							Lower	Upper	
2.374	.125	-.340	152	0.734	-.03716	.10938	-.25328	.17895	Not Significant

\* $p > 0.05$  (not significant)

Differences in the Level of Profitability between SMEs Owners' Sex

Presented in table 15 is the result of independent sample t-test on the differences in profitability of the respondents according to their sex. With alpha level of 0.05, this study did not reveal any statically significant differences in the level of profitability between male and female. ( $t=152$ ) = .259,  $p = 0.796$  in terms of the level of profitability.

**Table 15. Test for Differences in Profitability between Sex of the SMEs Owners**

Levene's Test for Equality of Variances		t-test for Equality of Means							
F	Sig.	T	Df	Sig. (2-tailed)	Mean Diff.	Std. Error Diff.	95% Confidence Interval of the Difference		Probability
							Lower	Upper	
1.083	.300	-.259	152	0.796	-.03868	.14932	-.33372	.25637	Not Significant

\* $p > 0.05$  (not significant)

Differences in the Level of Profitability between SMEs Owners' Monthly Income

Results indicate as shown in table 16 that there was no substantial difference in the level of profitability in terms of monthly income of the respondents. ( $t=152$ ) = -1.279,  $p = 0.203$

**Table 16. Test for Differences in Profitability between Monthly Income of the SMEs Owners**

Levene's Test for Equality of Variances		t-test for Equality of Means							
F	Sig.	T	Df	Sig. (2-tailed)	Mean Diff.	Std. Error Diff.	95% Confidence Interval of the Difference		Probability
							Lower	Upper	
1.566	.213	-1.279	152	0.203	-.17731	.13868	-.45134	.09672	Not Significant

\* $p > 0.05$  (not significant)

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Differences in the Level of Profitability between SMEs Owners' Types of Business

Table 17 illustrates that there was no statically significant differences as to the level of profitability between type of business ( $t=152$ ) = -.095,  $p = 0.924$ ) of the respondents.

**Table 17. Test for Differences in Profitability between Type of Business of the SMEs Owners**

Levene's Test for Equality of Variances		t-test for Equality of Means							
F	Sig.	T	Df	Sig. (2-tailed)	Mean Diff.	Std. Error Diff.	95% Confidence Interval of the Difference		Probability
							Lower	Upper	
.002	.961	-.095	152	0.924	-.01352	.14213	-.29436	.26732	Not Significant

\* $p > 0.05$  (not significant)

Differences in the Level of Profitability between SMEs Owners' of Length of Business

With an alpha level 0.05, the results demonstrated clearly in table 18 that there was a substantial deference in the level of profitability between the length of business ( $t(152) = 2.080$ ,  $p = 0.039$ ).

**Table 18. Test for Differences in the Level of Profitability between Length of Business of the SMEs Owners**

Levene's Test for Equality of Variances		t-test for Equality of Means							
F	Sig.	T	Df	Sig. (2-tailed)	Mean Diff.	Std. Error Diff.	95% Confidence Interval of the Difference		Probability
							Lower	Upper	
.080	.777	2.080	152	0.039	.27978	.13450	.01401	.54555	Significant

\* $p < 0.05$  (significant)

Relationship between the Level of Marketing Activities and the Level of Profitability of SME's Owners

Table 19 below represents the results of a Spearman's rho paramedic test of correlations with an alpha level of 0.05. Finding revealed that there was no statistically significant positive correlation between marketing activities and profitability of SME's ( $r = -0.025$ ,  $N = 152$ ,  $p = 0.755$ ).

**Table 19. Relationship between the Level of Marketing Activities and the Level of Profitability of SMES**

Category	Spearman's rho Value	Significance (2-tailed)	Probability
Marketing Activities and Profitability	-0.025	0.755	Not Significant

\*  $p < 0.05$  (significant)

## 2. RESULTS AND DISCUSSION

### Analysis of the study

Identify the socio demographic profile of small and medium enterprises (SMEs) owners in terms of sex, monthly income, type of business, and length of business establishment.

The data was generated from 152 small and medium enterprises owners in Estancia, Iloilo using a teacher-made questionnaire as the main data gathering instrument.

**Sex.** In terms of sex of the total 152 SMEs owners 108(71.10%) were females and 44(28.70%) were males. In other words, majority of the SMEs establishments in the town are owned and managed by women entrepreneurs. Obviously, women outnumbered the men insofar as business in the locality is concerned.

## **Marketing Activities and Profitability of Small and Medium Enterprises in Municipality of Estancia, Iloilo**

**Monthly Income.** Majority of the Small Medium Enterprises (SMEs) owners in the place have monthly income below 31,000, 95(61.80%), while 58 (38.20%) generate a monthly income of 31,000 and above. The figure implies that owners of SMEs in the locality are neither rich nor poor but may be classified as part of the middle class in reference to the economic strata of the country which pictures out the pyramidal positions of classes where majority are poor at the bottom, a considerable middle class at the center and a few wealthy class at the top.

**Type of Business.** The town is 135 kilometers away from the city of Iloilo and apparently, the residents' day to day life necessitate the use of goods that are either consumable or non-consumable for their maintenance or survival and thus, majority of SMEs owners are engaged in selling non-consumable goods 99(65.10 percent) and 53 (34.90 percent) are into consumable goods.

**Length of Service.** Estancia is known around the country as a center for commercial fishing, so much so that it shares to carries the name of "Alaska" of the Philippines, with Carles ( the true Alaska of the Philippines) as a testament to its location adjacent to Carles' bountiful marine resources ([www.estancia.gov.ph](http://www.estancia.gov.ph)). The turn of events characterized with political and economic development and upheavals have indeed paved the way for the introduction of SMEs in the town. Due to the continuing decline of the once flourishing marine industry in the town, residents and migrants alike have started to engage into SMEs hence, the number of years of their operations are only limited to above 5 years 85( 55.90 percent) and 5 years and below 67(44.10 percent). As shown by the data, majority of SMEs owners in the place have been into business for more than 5 years.

### **Level of Marketing Activities in Terms of Sales**

The "very satisfactory" marketing activities of the SMEs owners in Estancia maybe due to their sense of concern for customers and market place (Collins and Shaw, 2001). As expected, when ideals state of affairs cannot be met, at least certain aspects of it are achieved as what SMEs owners are doing in their business venture and activities in the locality. The identified marketing activities of SMEs included in this study were all found to be at the forefront of their marketing activities.

The result is partly supported by the findings of Awan, A.G. & Hashmi, M.S., 2014) in their study "marketing practices of small and medium size enterprises: a case study of SMEs in Multan district", wherein they stated that "SMEs knowledge of the products and market helps entrepreneurs to build and maintain their customers and communication skills will help entrepreneurs to build and maintain their customers. The practices of the SMEs owners that could attract and motivate customers to patronize their business products are extremely important for the success of their business endeavors.

### **Level of Marketing Activities after Sales**

The marketing activities of the SMEs owners in Estancia was generally "very satisfactory". These findings are supported by one of the 20 traits of great sales people, which says that, " Salespeople don't think in terms of sales but rather in terms of building a business. Great sales people are building a business, not just trying to make a sale. When you think beyond a sale, you're going to get other people's attention much more easily. They're going to be more interested in what you have to say. You want something that's going to survive beyond one sale" (Cardone, G., 2012).

Marketing activities do not end after the sales are made. After sales service refers to various processes which make sure customers are satisfied with the products and services of the organization ([www.managementstudyguide.com](http://www.managementstudyguide.com)). According Levitt (1983, in Egonsson,E., et al, 2013), the sale of a product is only the beginning of a seller-buyer relationship where the long term-bond between the two parties is the key for long-term profitability.

As shown by the result of the study, most of the marketing activities after sales of the SMEs owners exemplify the ideal marketing strategies of business organization including SMEs.

### **Level of Marketing Activities (Sales) When Grouped According to Profile**

Result of this study showed that the marketing activities of SMEs owners in Estancia when they are grouped according to profile was "very satisfactory". This finding implies that there are similarities in the level of marketing activities among respondents when they are grouped according to profile.

### **Level of Marketing Activities (after sales) when Grouped According to Profile**

The level of marketing activities of SMEs owners in Estancia after sales was generally "very satisfactory". This finding indicates that SMEs owners do not only react to the current behavior and needs of their customers but also have marketing skills that allow them to project and anticipate customers future needs and buying behavior. Their relationship with customers is not a once and for all deal that terminates right after the transaction but are characterized with elements that enabled customers to go back and sustain the so called "customer and seller" relationship.

### **Level of Profitability (Consumable Goods)of the SMEs**

Result of this study shows that the SMEs owners in the locality are doing fairly well in their business activities relative to certain consumable product-lines included in this study. Their level of profitability when they are grouped in terms of consumable goods

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was “satisfactory”. Consumables (also known as consumable good, nondurable goods, or soft goods) are goods that according to the 1913 edition of Webster Dictionary, are capable of being consumed that maybe destroyed, dissipated, wasted, or spent. John Locke specified these as consumable commodities (online dictionary).

The “satisfactory” level of profitability of SMEs owners in relation to certain consumable products may be attributed to the fact that these products are goods that require replacement because they are used up or transformed in their use. The market for these goods tends to be consistent and can be strong place for investment even during periods of economic uncertainty, as the need for such products cannot be put off by consumers.

### **Level of Profitability of Non-Consumable Goods**

The findings of this study showed similarities in the level of profitability of non-consumable goods that are being sold by SMEs owners in Estancia, Iloilo. The level of profitability of SMEs owners in Estancia in terms of non-consumable goods is “satisfactory”. According to Robert, J.L. (2016), “in reality there is really no such thing as a non-consumable goods, as every good is consumed, consumable referring to being used up rather than eaten”. Non-consumable goods as being referred in this study pertain to goods that are durable. As shown by the findings of this study, despite of the fact that these goods are durable, but yet their marketing performance and profitability have been marked to be “satisfactory”.

### **Level of Profitability of SMEs Owners in terms of(Consumable Goods) when Grouped According to Profile**

Results show that the level of profitability of SMEs owners in terms of consumable goods remain the same even if respondents are grouped according to sex, monthly income, type of business, and length of business. These product-lines are profitable in the locality.

These findings are indications that there is a sense of sustainability if one will engage into making business with such goods. Likewise, it indicates that consumable products tend to be included as part of man’s fundamental needs and hence, cannot be sacrificed despite scarcity and financial insecurity among consumers.

### **Level of Profitability of SMEs Owners in terms of (Non-Consumable goods) when Grouped According to Profile**

When respondents are taken as a whole and grouped according to sex, monthly income, type of business, and length of business, the level of their profitability remains constant vis-à-vis their sales on non-consumable goods. Their level of profitability is “satisfactory”. This finding implies that the level of profitability of the SMEs owners in the locality is not influenced by their socio demographic profile. Their level of profitability can be associated to the goods that they are selling like non-consumable goods examples of which were included as variables of this study.

### **Differences in the Level of Marketing Activities between SMEs Owners in terms of Sex**

The result of this study showed a significant difference in the level of marketing activities when respondents were grouped according to sex. The difference is supported by Ritson, M.(2013) wherein he stated that “women have a massive genetic advantage when it comes to marketing: their brains are better designed for it”.

### **Difference in the Level of Marketing Activities between SMEs Owners Monthly Income**

Result of the study showed that there is no significant difference in the marketing activities of the SMEs owners when they are grouped according to monthly income. The findings revealed that regardless of the difference in the percentage of those who are earning a monthly income of 31,000 and above and those whose monthly income are below 31,000, their marketing activities appear to be the same. The result of no significant difference indicates that in cases where there are differences in the SMEs level of marketing activities and insofar as this study is concerned the difference can never be attributed to the monthly income.

### **Difference in the Level of Marketing Activities between Type of Business of the SMEs Owners**

It is very interesting to know that there is no significant difference in the marketing activities among SMEs owners when they are grouped according to type of business. The findings implied that the type of business whether consumable or non-consumable cannot be used as a reference in determining the difference in the marketing activities among SMEs owners in Estancia. Likewise, it indicates that the marketability of the both consumable and non-consumable goods tends to be the same.

### **Difference in the Marketing Activities between Length of Business of the SMEs Owners**

Another surprising result showed that there is no significant difference in the marketing activities among SMEs owners when they are grouped according to length of their business. It means that regardless whether an SME’s owner has been in business for more than 5 years or less than 5 years their marketing activities tend to be parallel with each other. They tend to share common degree of marketing activities insofar as length of business is concerned.

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### **Differences in the Profitability between Sexes of the SMEs Owners**

Results of the study shows that the level of profitability of SMEs owners in Estancia when they are grouped according to sex is not significant. The degree of difference between the percentage of males and females SMEs owners does not affect their level of profitability. It could be contended therefore, that on the basis of this finding the SMEs owners in Estancia are fairly doing well vis-à-vis profitability of their business is concerned.

### **Differences in the Level of Profitability between SMEs Owners' Monthly Incomes**

It also quite surprising to know that the difference in percentage between SMEs owners in Estancia who are earning a monthly income of 31,000 and above and those whose monthly income is below 31,000 is quite high, and yet when they are grouped and subjected to a t-test at 0.05 alpha level to test the degree of difference, a no significant difference was found. Their level of profitability is not directly related to the difference in their monthly income.

### **Difference in Profitability between Types of Business of the SMEs Owners**

The result of this study also revealed that there is no significant difference in the profitability of SMEs owners when they are grouped according to types of business. Findings also showed that their profitability level remains the same regardless as to whether they are engaged in selling consumable or non-consumable goods.

### **Difference in the Level of Profitability between SMEs Owners Length of Business**

When SMEs owners are grouped according to length of business, their profitability level showed a significant difference. This finding implies that the length of business are normally associated with experiences, knowledge, and the development of effective skills in doing marketing jobs. Likewise, marketing strategies are also being developed and reinforced as one's experiences continue to progress and move forward.

### **Level of Relationship between the Level of Marketing Activities and the Level of Profitability of SMEs**

As shown by the result of the study, there is no significant relationship between the level of marketing activities and the level of profitability among SMEs owners in Estancia. It implies that profitability level is not significantly related to the level of marketing activities. The level of profitability of the respondents' is independent of their marketing activities.

## **3. CONCLUSION**

### **Findings of the Study**

On the socio demographic profile of small and medium enterprises (SMEs) owners in terms of sex, monthly income, type of business, and length of business.

Majority of the SMEs owners in Estancia are females. Among SMEs owners in Estancia, there is a big margin of difference between those who are engaged in selling consumable and non-consumable goods. Majority of the SMEs owners in the town have income below 31,000 and likewise, majority of them have been in business for more than 5 years from time of survey of this study.

On the level of marketing activities of small and medium enterprises (SMEs) owners in terms of sales and after sales when they were taken as an entire group, and grouped according to sex, monthly income, type of business, and length of business establishment.

Level of Marketing Activities (sales) and after sales of SMEs Owners:

The level of marketing activities of SMEs owners in Estancia as a whole, in terms of sales was found out to be "very satisfactory". While the respondents' level of marketing after sales were found out to be "satisfactory" on certain categories and "very satisfactory" on most categories.

On the other hand, when respondents were grouped according to profile, their level of marketing in terms of sales was found to be "very satisfactory". However, the marketing activities in terms of after sales differed when respondents were grouped according to sex the "male" was found to have a "satisfactory" rating while the "female" and the rest of the categories were found to be "very satisfactory".

The result is partly supported by the findings of Awan, A.G. & Hashmi, M.S., (2014) in their study "marketing practices of small and medium size enterprises: a case study of SMEs in Multan district", wherein they stated that "SMEs knowledge of the products and market helps entrepreneurs to build and maintain their customers and communication skills will help entrepreneurs to build and maintain their customers. The practices of the SMEs owners that could attract and motivate customers to patronize their business products are extremely important for the success of their business endeavors.

On the level of profitability of small and medium enterprises (SMEs) owners in terms of consumable goods and non-consumable good when they are taken as an entire group and when grouped according to sex, monthly income, type of business, and length of establishment.

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When respondents are taken as a whole, the level of profitability of SMEs owners in terms of consumable goods and non-consumable goods is "satisfactory". Likewise, when grouped according to profile the level of profitability of SMEs owners in Estancia in terms of consumable and non-consumable goods is also "satisfactory".

Significant difference in the level of marketing activities of small and medium enterprises (SME's) owners in terms of sales and after sales when they were classified according to sex, monthly income, type of business and length of business establishment.

There is a significant difference in the level of marketing activities of SMEs owners in Estancia, when they are grouped according to sex. The level of marketing activities of female SMEs owners significantly differed from their male counterparts.

However, there is no significant difference in the level of marketing activities of the respondents when they are grouped according to monthly income. Likewise, there is also no significant difference in the level of marketing activities of SMEs owners in Estancia, when they are grouped according to type of business and length of service.

Significant difference in the level of profitability of small and medium enterprises (SME's) owners in terms of consumable goods and non-consumable goods when they are classified according to sex, monthly income, type of business and length of business establishment.

There is no significant difference in the level of profitability of SMEs owners in Estancia, when they are grouped according to profile. Significant relationship between the level of marketing activities and the level of profitability of SMEs owners when they are classified according to sex, monthly income, type of business and length of business establishment.

There is no significant relationship in the level of marketing activities of SMEs owners in Estancia, Iloilo and the level of their profitability.

### **Conclusions**

Based on the findings of the study, the following conclusions are hereby presented:

SMEs owners in Estancia, Iloilo are doing marketing activities regardless of their socio-demographic profile in accordance with the principles and ideals of marketing. The level of their marketing activities both during sales and after sales enabled them to attract customers that patronized their products both consumable and non-consumable not just on case to case basis as walk in customers but as repeat customers and thereby developed the so called "seller and customer relationships".

The profitability level of SMEs owners in Estancia as to type of business when they are grouped according to profile portrayed a typical business operation where profits are naturally generated regardless of external conditions and other intervening corollaries in the conduct of business. Their profitability level remains constant regardless of their socio demographic profile.

Likewise, the profitability of SMEs owners in running their business in the locality is not related to their marketing activities. Regardless of their marketing activities SMEs owners tend to be profitable in their business independent of strategies and other marketing activities that they employed.

### **RECOMMENDATIONS**

To strengthen and encourage more SMEs owners and operators in the town, the Local government Unit ( LGU) should provide them with a better local tax system, one that is not burdensome and assist them in terms of location and accessibility of their business to customers and public transport system.

Them to respond to the market demands of their customers especially that the place is currently undergoing a better headway for a cityhood.

SMEs owners should collaborate not only with the LGU but also with the academe in order to enhance their managerial skills and marketing strategies by having a member of the family enrolled in any business courses in the college.

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