



Strategic Management and Competitive Advantage of Microenterprises in the Province of Batangas, Philippines

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Abstract: Increasing competitive pressures from a highly competitive global economy are forcing microenterprises to reevaluate their strategic position. Hence, adopting and implementing strategic management techniques enable them to respond proactively to change, leading to competitive advantage. This study examines strategic management and its relationship to the competitive advantage of microenterprises. This study surveyed 331 microenterprises in the province of Batangas in the Philippines. The data were analysed using descriptive statistics, correlation analysis, and focus group discussions. The results showed that most microenterprises need a written business plan, communicate and assign people to implement the strategy, and offer incentives or rewards to employees. They also need to improve in selling low-cost products, collaborating with business partners, and expanding to other locations.

Keywords: Strategic management, competitive advantage, microenterprises, province of Batangas, Philippines

1. Introduction

The goal of any organisation in today's highly competitive business world is to outperform the competition. Understanding how the competitive environment is changing is essential to survival. Long-term success requires organisations to compete, beat competitors, and attract new customers. One of the biggest obstacles companies face when adapting quickly and effectively to a changing business environment is building and maintaining a competitive advantage. According to Peterdy (2023), a competitive advantage is something unique to a company or industry that cannot be easily imitated. Pahwa (2023) added that a competitive edge enjoys a favorable market position, attracting more clients and increasing sales. It is what distinguishes the company's name, goods, or services from those of its rivals. A company's strategic decisions to capture market opportunities give it a competitive advantage (Friesenbichler & Reinstaller, 2022). Meanwhile, Amadeo (2022), stated that a specific company can produce more reasonably priced or excellent quality than its competitors. Further, Wira & Yasa (2018) noted that the company's tactics to make or give more value to its customers than rivals are known as a competitive advantage. Queensland (2022) claimed that strong competitive advantages are a hallmark of profitable businesses. The characteristics of the product or service that make it difficult for competitors to match them are examples of competitive advantages. According to Purba (2019), a company has a competitive edge when it has several positions that make it difficult for rivals to copy its business model and enable it to reap long-term rewards. The key to effective marketing in a competitive environment is having a competitive advantage.

Competitive advantage is businesses' mutually beneficial technique to establish a more decisive competitive edge in their market. This strategy must be created to continuously build a competitive edge for the business to dominate both the old and new markets. Also, Laskowski & Lebeaux (2018), explained that it is the advantageous position a business wants to outperform its competitors in terms of profitability. Bilgies (2017), mentioned that competitive advantage, a process to identify, develop, and place genuine advantages, is the translation of management reality. The ability of an organisation to adapt to changes in the environment is strongly correlated with company excellence.

According to Dimitrova (2014), these competitive advantages are crucial to forming and enhancing the enterprise's competitiveness. The rise of scientific and technological progress, globalisation, and the current understanding of competitive advantages are globalisation of business competition. An organisation gains a competitive advantage when it creates or acquires a collection of characteristics (or execution strategies) that enable it to outperform its rivals (Wang, 2014). The product's quality, design, and overall design are the three factors that give it a competitive edge in the market (Tjahyadi, 2016). Businesses must choose and identify methods that can be employed to face competition to succeed. Then, the company must make different or unique items in product development to market their products (Wahyuningsih & Sukaatmadja, 2020). When a business acquires and develops unique qualities that enable it to outperform rivals and be more competitive, it has a competitive advantage (Yuleva, 2019).

Firms must continuously identify differentiating product strategies, develop or reshape core competencies, acquire unique technologies, and accumulate intellectual property to achieve competitive advantage. These can be used to a company's advantage in a fiercely competitive market. The strategic choice of businesses helps them gain a competitive advantage. Jennings & Beaver (2016) stated that the lack of management focus on strategic concerns is nearly always the primary factor in the small business failure or underperformance. Therefore, the strategy focuses on obtaining and maintaining a competitive advantage. Organisations can create, support, and use a competitive advantage through strategic management.

Corporate Finance Institute (2023) defines strategic management as the creation and execution of significant goals and initiatives by an organisation's management on behalf of its shareholders. A strategic management model was presented by Muriuki et al. (2017), whereby it encompasses the three main processes of developing and implementing a strategy: environmental scanning, strategy formulation, strategy implementation, and strategy evaluation and control. These writers claim that environmental scanning intends to identify the needs and strategies for satisfying those needs in the present. Strategy formulation identifies the establishing organisational strategy based on internal and external risks, vulnerabilities, strengths, and possibilities. Implementing a strategy determines the answers to the who, when, where, and how in connection with the results of the second stage. Strategy evaluation and control compare the actual outcomes with projected outcomes, subsequently serving as a foundation for evaluating business goals and objectives. Bonnici (2015) defined it as the evaluation, planning, and implementation process to maintain or improve competitive advantage. The evaluation process is concerned with assessing the external and internal environments. Businesses may modify their strategy in their dynamic environment as circumstances change. Sheweta (2021) declared that by a process of assessment, evaluation, and development, strategic management strategies can assist in identifying new corporate goals, setting acceptable and doable objectives, and regaining a competitive edge for firms. Al Dhaheri et al. (2020) also explained that it significantly benefits organisations by setting measurable goals and outlining precise procedures.

Coombs (2018), however, mentioned that it allows the management to identify the greatest practicable plan choice. Then it may be internal or external development of the organisation. According to Sharabati & Fuqaha (2014), strategic management has been viewed as the most crucial technique that sets firms apart from one globalization period. Strategic management is the essential step in achieving an organisation's vision, strategy, and goals between strategic management and competitive advantage has been the topic of several empirical investigations. Mohamed & Basar's study (2023) indicates a link between strategic management and competitive advantage. The results demonstrated that strategic management strategies enable companies to embrace change and launch worthwhile initiatives. Organisations should manage, maintain, and constantly enhance their strategic management practices as they are essential to competitiveness. Islam's (2022) research found that performance is favorably and strongly correlated with strategic management practices. As a consequence of the research, it was determined that strategic management is necessary for effective performance. The process of developing strategies and goals, then assigning resources to implement those plans and goals, is known as strategic management. Farida & Setiawan's (2022) study demonstrates that corporate strategies contribute to competitive advantage. Improved business strategies boost SMEs' comparative advantage. Moreover, Moore & Manring (2019) examined whether small, medium, and substantial operations may succeed and preserve their competitive advantage without a strategic management system. The efficiency of the exclusive company's competitive service was found to be predicted by strategic management and tactical management. Thapayom's (2019) research also showed a strong positive correlation between strategic planning, control and performance assessment, competitor accounting, and customer accounting with organisational competitiveness and sustainable performance. According to Kearney et al. (2018), strategising provides firms with solid, enduring sources of competitive advantage. Meanwhile, a study conducted in Thailand found that marketing and human resource management strategic management performance positively affects total competitive advantage. Customer loyalty is increased and costs are decreased by business networking, organisational learning, productivity, and entrepreneurship orientation (Linjee et al., 2019).

Okhakhu's (2018) study revealed that strategic management was proven to have a major impact on libraries' administration, growth, and competitiveness. It suggests that librarians employ strategic management practices to improve the performance of their libraries more than ever before. Damilola et al. (2015) found that strategic management positively correlates with a competitive advantage, according to research on its effects on organisational performance and competitive advantage. Such businesses emphasise continuous improvement, are upbeat about new ideas, and aggressively look for lucrative opportunities. A regression analysis study by Sooducho (2014) revealed the

impact of strategic management on competitive advantage. They discovered a beneficial connection between strategic management and competitive advantage. This means that the principal competitive advantage based on innovation and technology becomes more significant as the scope for developing new industry standards, for example, those relating to technology, products, and organisational measurements, widens. The findings of a study of Marikova & Vrchota (2013) indicate that SMEs with a clearly analysis of management outperform businesses without a defined strategy in terms of financial health. In Anambra State, Nigeria, Muogbo (2013) investigated the effects of strategic management on the development and expansion of a few industrial companies. According to the analysis's findings, implementing strategic management has substantially impacted employee performance, competitiveness, and organisational productivity. According to Ismail et al. (2012), a company can gain a competitive edge and is likely to outperform its rivals if it accomplishes something unique and challenging to imitate. It is possible to argue that greater strategic management practices will result in the acquisition of competitive advantage. Therefore, as a business owner, how you carry out strategic goals affects your competitive edge. Managers should place more attention on strategy management to maintain long-term competitiveness. Batangas is an entrepreneurial province in the Philippines. Regarding economic development and expansion, the province's rapid growth attracts increasing investors and businesses. This demonstrates how businesses were one of the main income for Batanguenos. The provincial government of Batangas considers the development of microenterprises as an instrument that could contribute a great deal to sustaining the long-term economic growth of the province. They are the vehicles of economic growth and the catalysts for achieving every province's objective. This statement is supported by the idea of Nezhad (2013) that microbusinesses are essential to the health of any economy since they provide jobs for the vast majority of people. According to Asian Productivity Organisation (2011), they are the cornerstones for creativity, innovation, and seedbeds of entrepreneurship.

According to the Business Permits and Licensing Division, Batangas City Government, microenterprises in the province account for 90 percent of the total registered businesses, 7 percent comprise small firms, 2 percent are medium-sized businesses and 1 percent comprised large organisation. This indicates that microenterprises comprise a large portion of businesses in the province. Even though the number of microbusinesses in the province is rapidly increasing, their current position, stage, and rate of development are far more significant than their quantity. Despite their contribution to developing the province's economy, microenterprises encountered numerous difficulties. Numerous obstacles prevent them from achieving further growth, productivity, and survival. The micro businesses in the province are experiencing this. The province of Batangas has a slow pace of microbusiness development. The lack of formality in most microenterprises' organisation, work, and management structures jeopardizes their ability to compete. Their resources and capacities are constrained, creating relatively few goods or services. For instance, many businesses have been struggling and taking a very long time to develop into small and medium-sized businesses. Many are satisfied with their business operations since they need help maintaining growth. The competitive advantage of the sector remains weak. Poor strategy management is proposed to be one of the reasons for the inadequate competitiveness of microenterprises. The application of strategic management in microenterprises can pose particular challenges. In these turbulent times, strategic management takes an important role, however, it needs to be addressed mainly by the microenterprises. Many researchers in strategic management declare that this area still needs to be paid more attention by business owners. Business owners often do not understand the meaning and significance of a strategic approach for business or cannot establish it. They are often burdened by everyday business practices and failed to recognize the goals and challenges they face in a broader context. As a result, microenterprises are facing unexpected challenges that threaten their competitiveness.

Therefore, to go beyond survival and compete, microenterprises in the province of Batangas must undergo a successful business transformation in various dimensions of their operations. So, what is known about strategy in the microenterprise context is an essential area to investigate. Strategic thinking is essential for them during global competition, technological change, and increased market dynamics. It helps them prepare for and deal with the rapidly changing business environment. Even though microenterprise has not been a key area of entrepreneurship research, it is clear that microbusinesses are critical to entrepreneurship in general. All businesses begin as microenterprises and many remain small over the life cycle.

However, although studies examine the direct relationship between strategic management and competitive advantage, a population gap is evident after reviewing earlier research. Those studies sought to investigate the strategic management practices of large organisations, but no study tried to analyse the perspective of microenterprises. These populations are underserved and understudied and received insufficient attention. The researcher believes that the environmental changes cause more uncertainty in microenterprises than in small, medium, and large companies. The microenterprises operate in a volatile and dynamic environment with frequent, quick changes that make their old strategies no longer applicable. To protect them against the uncertainty that comes with an unpredictable climate, strategies should be put in place and strategic management addresses the factors that influence which organisations will acquire competitive advantage and which ones will lose their competitiveness and fail. The strategic management for competitive advantage in microenterprises is essential to raise their awareness of and motivate them to gain or maintain their competitiveness. Competitive advantage for microenterprises must be won, acquired, and maintained. The businesses that will thrive in the harsh business environment of the twenty-first century are flexible, responsive to shifting market conditions, and whose internal competencies align with the external opportunities. They must

constantly look for newer sources of competitive advantage and be aware of competitors' activities. Therefore, a competitive advantage is crucial for microenterprises since without one, it risked them going out of business. Consequently, microenterprises should be the primary focus of strategic management for competitive advantage to achieve their objectives. To the best of the researcher's knowledge, no research has targeted to investigate the impact of the broad subject of strategic management and competitive advantage of microenterprises in the province of Batangas. Thus, this study, sought to fill this gap. With all these contentions, the researcher would like to determine how the microenterprises in the province of Batangas carry out the process of strategic management and its relation to their competitive advantage.

2. Research Framework

Drawing on the background literature reviewed, the researcher provides the study framework underlying the investigation in this paper. The study of strategic management attracted a lot of interest from academic scholars and business practitioners and is now becoming an increasingly crucial tool for long-term competitive advantage. With this, the study sought to investigate the relationship between strategic management practices and the competitive advantage of microenterprises.

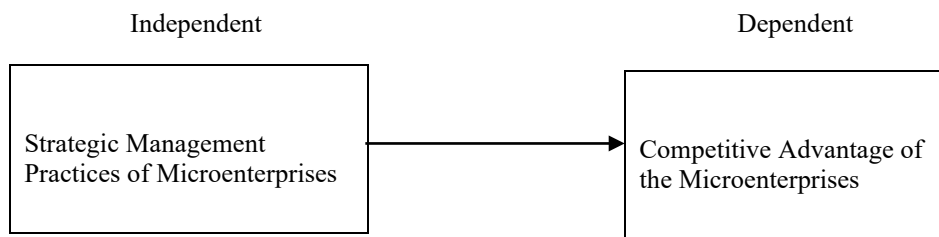


Fig. 1 - Research framework

3. Research Methodology

3.1 Research Design

The study employed a quantitative method of research. The researcher used the descriptive correlational analysis to assess the strategic management and competitive advantage of the microenterprises. The study's respondents were the microenterprises owners/managers in the first-class municipalities of the province of Batangas Philippines. The researcher wrote a letter of request to the first-class municipalities' Business Permit and Licensing Offices for the latest record of microenterprises. Based on the record gathered, there were 16,938 registered businesses from the municipality. However, as stated in the record, the populations of microenterprises are unknown, thus, the G-Power with a margin of error of 0.05 was used which resulted in the total sample size of 162.

3.2 Sampling Design

Stratified proportional sampling was applied to determine the number of microenterprises per municipality. The number of respondents per municipality was based on the total list of registered businesses. Table 1 shows the distribution of respondents per municipality. To identify who will be the respondents, the researcher used a lottery sampling design. A substitution was facilitated for microenterprises that are not already operating and those who are not willing to participate in the survey.

Table 1 - Distribution of respondents

Municipalities	Total Number of Registered Businesses	Sample Size	Actual Respondents per Municipality
Balayan	840	8	16
Bauan	2,143	20	42
Lemery	1,128	11	22
Mabini	935	9	18
Nasugbu	1,233	12	24
Rosario	2,275	22	45
San Jose	3,111	30	61
San Juan	1,212	12	24
San Pascual	1,139	11	22
Sto. Tomas	2,922	28	57
Total	16,938	162	331

Note: Data on the number of registered businesses was based on the record of the Business Permit and Licensing Office of each municipality for the year 2018.

The table shows that the respondents exceed almost 50 percent of the total sample size. This is because a large number of questionnaires were retrieved from the microenterprises. The study adopted research triangulation with a survey questionnaire as the primary instrument of the study. Results were substantiated using focus group discussions with the managers/owners.

3.3 Measurement and Scaling

The researcher-made questionnaire was used as the primary instrument of the study. Special consideration was given to the formulation of each question to achieve relevance and appropriateness to the study's objectives. The questionnaire items were based on the literature readings gathered and from initial interviews of microenterprise owners. The questionnaire's content was translated into Filipino for a clearer understanding of the statements. The questionnaire was divided into two parts. The first part consisted of statements on strategic management and the second part was intended to identify the competitive advantages of microenterprises. Different literature and interviews from microenterprises owners were used as guides in finalising the instrument.

The first part of the questionnaire was scored based on a Likert-type 4-point scale where 4 is the highest and 1 is the lowest score, as indicated below in Table 2. On the other hand, the third part of the questionnaire used a dichotomous question: Yes or No option.

Table 2 - Response scales

Option	Responses
4	Highly Practiced
3	Practiced
2	Moderately Practiced
1	Not Practiced

To determine the content validity of the items in the questionnaire, it has been validated by eight experts. The questionnaire draft was presented to three microenterprise owners, three business faculty experts, one statistician, and one Filipino instructor for content checking to ensure the validity of the question items. Suggestions were incorporated in the new draft after which it was advised to undergo the validation process. After the corrections and revisions had been incorporated in the first draft of the questionnaire, a second draft was prepared and presented again to the experts. A third draft was prepared until an error-free questionnaire was achieved. In addition, the questionnaire was tested for reliability. As such the questionnaire was pilot tested among 20 business owners/managers in Cuenca, Batangas Philippines. Based on the pilot testing, the questionnaire yielded a Cronbach alpha of 0.894, interpreted as good internal consistency. After finalising the research instrument, the researcher personally distributed the questionnaire to the microenterprises owners/managers. The data gathered was subject to checking, scoring, analysis, and interpretation. To interpret the extent of practice of strategic management, the researcher used the following scale.

Table 3 - Mean range

Scale/Range	Strategic Management
3.50-4.00	To a very great extent
2.50-3.49	To a great extent
1.50-2.49	To the least extent
1.00-1.49	To a no extent

3.4 Data Gathering Procedure

The researcher used the strategic location of the municipalities in the administration. District IV was first targeted; these are the municipalities of San Juan, Rosario, and San Jose. After that, the researcher visited District II consisting of Bauan, Mabini, and San Pascual. Subsequently, the questionnaire was administered to microenterprises in District I: Balayan, Lemery, and Nasugbu. Lastly, the researcher conducted a survey on District III which is the Sto. Tomas. After collecting the questionnaire, the researcher prepared the data for tallying and cleaning. The data gathered was subject to scoring and analysis. The researcher utilized statistical tools such as mean, composite mean, and Chi-Square Test.

4. Results

The succeeding tables present the data gathered through the questionnaire accomplished by the respondents. The data presented herein concern the extent of strategic management practices, competitive advantage, and relationship between the two.

4.1 Strategic Management of Microenterprises

Table 4 presents the strategic management practices of microenterprises.

Table 4 - Extent do microenterprises practice strategic management

Items	Mean	Verbal Interpretation
1. Considering the microenvironment (ex. customers and competitors)	3.00	To a great extent
2. Assessing its strengths and weaknesses	2.97	To a great extent
3. Analysing the trends in the macro environment (ex. changes in technology, political, legal, social, etc.)	2.52	To a great extent
4. Having a written business plan	2.40	To the least extent
5. Communicating the strategy to the employee through verbal communication	2.48	To the least extent
6. Assigning individuals responsible for the implementation of the strategy	2.40	To the least extent
7. Providing motivational incentives or rewards for employees	2.04	To the least extent
8. Following the set criteria to evaluate the implemented strategy	2.83	To a great extent
9. Evaluating the cost and revenue figures for the assessment of the strategy	2.72	To a great extent
10. Collecting feedback from the customers as an evaluation tool	2.03	To the least extent

The findings suggest that microenterprises are considering the microenvironment with a mean of 3.00 and was interpreted as a practice to a great extent. Furthermore, assessing the business strengths and weaknesses is practiced to a great extent by the microenterprises with a mean of 2.97. Also, about analyzing the macroenvironment and the trends in the macro environment, the microenterprises practiced it to a great extent with a mean of 2.52. Furthermore, microenterprises are to a great extent following the set criteria to evaluate the implemented strategy and evaluating the cost and revenue figures for the assessment of the strategy with a mean of 2.83 and 2.72 respectively.

However, the microenterprises also noted that having a written business plan was practiced to the least extent with a mean of 2.40. Communicating the strategy to the employee through verbal communication was also practiced to the least extent with a mean of 2.48. In addition, assigning individuals responsible for implementing the strategy was practiced to the least extent with a mean of 2.40. Further, providing motivational incentives or rewards for employees was practiced to the least extent with a mean of 2.04. Lastly, collecting customer feedback as an evaluation tool was interpreted as practiced to the least extent with a mean of 2.03.

4.2 Competitive Advantage of Microenterprises

Table 5 presents the data gathered through the questionnaire accomplished by the respondents. The data presented herein concern on the competitive advantage of microenterprises.

Table 5 - Competitive advantage of microenterprises

Items	Frequency	Percentage	Rank
1. Identifying and understanding valuable customers	222	67	7
2. Quickly identifying new market opportunities	242	73	4
3. Expanding to other locations to create new markets	94	28	13
4. Quickly responding to customer needs	282	85	2
5. Building long-term relationship with customers	142	43	9
6. Introducing new goods and services	258	78	3
7. Selling products at a low cost	107	32	11
8. Provide quality goods and quality service	287	87	1

9. Selling differentiated goods or services	126	38	10
10. Collaborating with business partners such as suppliers and dealers	95	29	12
11. Proper managing the flow of money	240	73	5
12. Providing unique technology and modernized machinery or equipment	200	60	8
13. Efficient operational process	235	71	6

The table above shows that 87% of the microenterprises assessed that their competitive advantage is their activity of providing quality goods and services with a frequency of 287 which ranks first. Results also revealed that 85% of them can respond to customer needs which ranks second, garnering a frequency of 85. Also, 78% of microenterprises are introducing new goods and services with a frequency of 258. Meanwhile, 73% quickly identify new market opportunities with a frequency of 242. It also revealed that 73% of the microenterprises or 240 respondents are properly managing the flow of money. There are 235 who agreed that efficient operational process is one of their competitive advantages which generated a frequency of 71. Sixty-seven (67%) of the microenterprises are identifying and understanding valuable customers with a frequency of 222 which ranked 7th. Eight in rank is the advantage of providing unique technology and modernized machinery or equipment which comprised 60% of the microenterprises.

However, only 43% of the microenterprises, or 142 of the respondents are building long-term relationship with their customers. Also, 38% of the microenterprises claimed that selling differentiated goods and services is one of their competitive advantages. Thirty-two (32%) of the microenterprises sell products at a low cost, comprising 107 of the respondents. Further, 29% or 95% of the microenterprises are collaborating with business partners such as suppliers and dealers. Lastly, only a few (28%) or 94 microenterprises are expanding to other locations to create new markets.

4.3 Relationship between the Extent of Practice of Strategic Management and Competitive Advantage of Microenterprises

Table 6 displays the significant relationship between strategic management practices and the competitive advantage of microenterprises.

Table 6 - Relationship between the extent of practice of strategic management and competitive advantage

Strategic Management vs. Competitive Advantages	p-values	Computed values	Decision on Ho	Verbal Interpretation
1. Identifying and understanding valuable customers	.003	45.65	Supported	Significant
2. Quickly identifying new market opportunities	.001	50.73	Reject	Significant
3. Expanding to other locations to create new markets	.001	48.63	Reject	Significant
4. Quickly responding to customer needs	.339	25.22	Failed to Reject	Not Significant
5. Building long-term relationship with customers	.014	40.26	Reject	Significant
6. Introducing new goods and services	.018	39.31	Reject	Significant
7. Selling products at a low cost	.000	55.00	Reject	Significant
8. Provide quality goods and quality service	.012	41.04	Reject	Significant
9. Selling differentiated goods or services	.000	61.65	Reject	Significant
10. Collaborating with business partners such as suppliers and dealers	.000	70.42	Reject	Significant
11. Proper managing the flow of money	.002	46.99	Reject	Significant
12. Providing unique technology and modernised machinery or equipment	.002	47.67	Reject	Significant
13. Maintaining efficient operational process	.000	64.36	Reject	Significant

The table on the previous page shows that most of the items in competitive advantage got *p*-values lower than 0.05 level of significance, leading to the support of the hypotheses. When strategic management was correlated with the competitive advantage of identifying and understanding valuable customers, the *p*-value of 0.003 was found lower than the significance level of 0.05, with the computed value of 45.65, thus the hypothesis was supported and there is a significant relationship between the two variables. Also, when strategic management and quickly identifying new market opportunities were correlated, the *p*-value of 0.001 was found lower than the significance level of 0.05, with the computed value of 50.73, thus the hypotheses were supported and there is a significant relationship between the two. In terms of the competitive advantage of expanding to other locations to create new markets, the *p*-value of 0.001 was found lower than the level of significance of 0.05, with the computed value of 48.63, thus the hypothesis was supported and there is a significance relationship between the two.

When strategic management was correlated to building long-term relationship with customers, results revealed a *p*-value of 0.014 which was found lower than the significance level of 0.05, with the computed value of 40.26 which supported the hypothesis and interpreted as significantly related. Also, when strategic management was correlated to introducing new goods and services, the *p*-value of 0.018 was found lower than the significance level of 0.05, with the computed value of 39.31, thus the hypotheses were supported and there is a significant relationship between the two. Also, as to selling products at a low cost, the *p*-value was 0.000 and the computed value is 55.00 which denotes that it is significantly related to strategic management.

When strategic management was correlated to providing quality goods and service, results revealed a *p*-value of 0.012 and a computed value of 41.04, which means there is a significant relationship between the two. A *P*-value of 0.000 was generated after testing the correlation between strategic management and selling differentiated goods or services which signifies a significant relationship. Further, when strategic management was correlated to collaborating with business partners such as suppliers and dealers, *p*-value of .000 was generated with a computed value of 70.42, which denotes a significant relationship between the two.

Meanwhile, when the correlation between strategic management and proper managing the flow of money was tested, results revealed a *p*-value of 0.002 with a computed value of 46.99 which means a significant relationship between the variables. Also, when testing the relationship between strategic management and the advantage of providing unique technology and modernized machinery or equipment, results got a *p*-value of 0.002 with the computed value of 47.67 which explains that there is significant relationship between the two. Further, when strategic management was correlated to maintaining efficient operational processes, a *p*-value of 0.000 was generated with a computed value of 64.36, indicating that there is significant relationship. Finally, when correlation analysis was tested in strategic management and quickly responding to customer needs, *p*-value of 0.339 with the computed value of 25.22 was found greater than 0.05, meaning there is no significant relationship between the two.

5. Results and Discussion

Based on the strategic management results obtained, it could be explained that the microenterprises are putting more emphasis on the market-based view. They are practicing environmental scanning to a great extent, which means that they are constantly evaluating their external forces and used in their decision-making process. Customer and competitor analysis is a crucial part of microenterprises' day-to-day operations. They do not disregard the worth of their customers. It is a sign that microenterprises think that to stay in business longer, they must understand their customer and the market sector where they may potentially lead. Customer analysis is essential to their company strategy because, without knowing who their customers are and what they want, they will be unable to satisfy their wants and demands. Additionally, it became clear that the main objective of microenterprises is to outperform their competitors in addition to meeting clients' needs. It seems that one of the things that microenterprises are aware of is their rivals and the business environment where they belong. According to Radzi & Yaacob (2022), the business environment will give SMEs the tools they need to find the information they require to deal with external influences and select the most promising business sectors and product development.

Also, microenterprises are assessing their strengths and weaknesses. This implies that keeping track of their strengths and weaknesses would help them make more informed judgments. Microenterprises ensure that they have control over their internal processes, so they can be equipped to handle external challenges and turn them into opportunities. (2017) supports this claim, saying that evaluating organisational strengths and weaknesses enables an organisation to determine which resources and competencies are most likely to be sources of competitive advantage and which are less likely to be such sources.

It also revealed that having a written business plan is an activity of a minority of microenterprises. Although it might be presumed that they like to plan, they find it difficult to organise their thoughts into a written plan. They do not have a documented business plan. They do not take the time to plan, they simply follow the flow, they run their business by making mistakes along the way, and they act and think intuitively.

It is reinforced by a study by Wang et al. (2011) that found that most SMEs lack planning and that the causes are poorly understood. A significant portion of business owners, according to Barringer & Ireland (2019), do not create business plans for their projects. Many business owners claim they have little time for planning because of the daily

demands of getting a firm up and operating. Many owner-managers pass up the chance to think about the broader course of the business, and that management choices can be based on incomplete information.

Likewise, communicating the strategy to the employee through written communication is practiced to the least extent by microenterprises. The microenterprises are demonstrating their commitment to implementation by communicating to ensure its success. However, the results showed that microbusiness owners could hesitate to assign tasks and distribute responsibility. Perhaps, they are hesitant to assign the proper duties and choose the appropriate personnel to carry out the plan. Additionally, most microenterprises do not offer incentives and prizes because it appears they are not required for their line of work. Due to the size of their business, they do not have the money to set aside for incentives and prizes. To a great extent, microenterprises practice following the set criteria to evaluate the implemented strategy. The findings appear to indicate that standards and criteria for evaluating initiatives have been established. It must be time-based, meaningful, specific, measurable, and attainable. Setting performance standards for strategic goals is simpler than setting nebulous objectives with no timeframe. Furthermore, microenterprises practice to the least extent the activity of going back to the planning process if the strategy fails. It means that small businesses do not invest a lot of time in planning. It also shows that they frequently make modifications in a systematic manner and going back to the planning process is not their habit.

Also, microenterprises practice to the least extent the collection of feedback from the customers as an evaluation tool. This means that microenterprises failed to gather customer information on how well their strategies are progressing. It seems like they are unaware that failure to capture customer feedback may lead to loss of customers. About competitive advantage, the majority of the microenterprises can provide high-quality goods and services. This is by far the most significant aspect for achieving a competitive edge in the market, and they make sure they can do so more effectively than their rivals. They aim for perfection and recognised that their clients valued goods that exceeded their expectations. As a result, they guarantee that their efforts to create good items will be superior to their rivals.

Microenterprises are significantly more adaptable and receptive to market and customer needs since they are small. They are inherently rooted in the client's demands, and it appears that most of them have shown a willingness to develop and adapt to meet those needs. Whenever a crisis arises, they always respond immediately. This implies that microenterprises have an edge in that they can introduce something novel to the market. They seek opportunities to create something different. Those items that fall the least are selling the products at a low cost, collaborating with business partners, and expanding to other locations to create new markets. This indicates that micro businesses had difficulty undercutting their competitors because they might have worried about their profitability. They price their products similarly to their rivals since doing so is a safe strategy. This suggests that small businesses are not aware of their ability to redesign their value chain processes to become cost leaders.

The results also showed that the competitive advantage of microenterprises in terms of working with other business partners is low, indicating that the majority of microenterprises do not maintain relationships with their suppliers and dealers and failed to realise that forming a partnership with another business can be a great way to gain a competitive edge. Results also confirm that only a few among the microenterprises have the advantage of expanding their business to new locations. It indicates that most businesses are satisfied with how they now operate or are still growing their market; as a result, expanding into new markets is not a top priority for them. Instead, they fully utilise their current markets before expanding into new ones. For the correlational analysis, findings suggest that having activities superior to those of rivals requires an effective strategic management process. It is one tool in an organisation's toolbox that can be used to better identify and understand valuable customers, quickly spot new market opportunities, expand to other locations, build long-term relationships, introduce new products and services, sell goods and services at a discount, offer high-quality goods and services, sell goods that are different from competitors' offerings, work with business partners and effectively manage the flow of money, and offer distinctive technology.

The results also show that strategic management is related to discovering valuable customers since microenterprises may identify their valuable customers and everything that makes the customer tick when they have a good understanding of their business. Through strategic management, they can create a customer's profile that contains all the necessary details on the precise audience they are attempting to reach. However, it would be clear that they could not have a thorough understanding of the market and could not serve them well if the microenterprises lacked information about the relevant business component and did not do market analysis. Also, it can be concluded that strategic management is related to how microenterprises can quickly identify new market opportunities. It implies that by conducting micro and macro environmental scanning, microenterprises can find unmet market demands and spot possible business possibilities. In contrast, if micro businesses do not adapt to the environment, they will miss out on possibilities and fall behind rivals. Business owners can find gaps and opportunities by applying a thorough and consistent strategy to competitive positions, directions, and strengths and weaknesses.

In addition, strategic management is also related to the competitiveness of microenterprises when it comes to expanding their business to other locations. This is because if microenterprises have dreams of success and have a great mindset to expand; they will intend to serve another market by exposing their business to a wider audience. On the contrary, if microenterprises lack the will to grow, they will just accept their current state of affairs and stagnate. If they fail to identify their capabilities, they will lose the opportunity to reach untapped markets. Also, strategic management is related to the competitive advantage of building long-term customer relationships. It would seem that micro

businesses who analyse their customers can better manage their customer relationships. On the other hand, microbusinesses that lack appropriate information about their clients and rivals risk losing clients. Analyzing the client is a crucial initial step in developing a relationship with them. They claimed that any customer relationship management action must start with creating a customer database or information file.

Furthermore, strategic management can be associated with the advantage of making new goods and services which suggests that a microenterprise with good strategy development will actively look for innovative ways to enhance what their organisation is already doing. Careful planning and development are necessary to ensure that a product meets customers' needs and wants, has a significant competitive advantage, and is accepted by the market, whether it is a complete innovation, an update of an existing product, or a copy of a competitor's product. Moreso, the findings also indicated that a microenterprise that examines its capabilities and evaluates its rivals can achieve a low-cost position among its rivals since competitive pressures may force a company to be a cost leader. Additionally, microenterprises that put a lot of effort into developing their strategies are better able to deliver high-quality products and services, perhaps because this is what they see for the future of their organisation.

Also, it has been manifested that strategic management activities resulted in an advantage of product differentiation. It denotes that microenterprises can identify competing product offerings and differentiate them based on quality, services, and image because of competitive intelligence. Furthermore, the benefit of working with other business partners is also connected to strategic management techniques. It implies that as the strengths and shortcomings of the microenterprises are evaluated, they may learn that some talents are lacking; as a result, partnering with another company might give their organisation access to more resources and certain expertise. In addition, it also has something to do with properly managing the flow of money. Small businesses can assure better cash management and achieve complete financial control if they have a long-term perspective on their money.

Additionally, strategic management is equated with offering cutting-edge technology and equipment, suggesting that defining objectives for developing their physical resources and developing an effective technology plan will result in the development of technological advantage. As a result, the development and planning of technology strategies are essential to understanding and using technologies. Meanwhile, strategic management is associated with the efficiency of the business process which means that a microenterprise that conduct situation analysis and evaluate the efficacy and efficiency of the current business process can make adjustments to the process. Nevertheless, strategic management is not linked with quickly responding to customers which implies that for the microenterprises, it is a basic requirement for customer service and does not need much thorough strategic planning.

6. Conclusions, Implications, and Recommendations

The effective use of strategic management can have a significant impact on a company's competitive advantage. The company can gain a competitive advantage by setting specific goals, developing a detailed plan to achieve those goals, regularly evaluating the plan, and making any necessary adjustments. To reiterate: The study aims to determine the strategic management practices and competitive advantage of micro-enterprises in the province of Batangas, Philippines. It also examined the relationship between these two factors. The study concludes that micro-enterprises generally do not engage in formal strategic management. It is disorganised, irregular, and informal and usually relies on inadequate and ineffective information obtained from unofficial sources. Moreover, strategic thinking in micro-enterprises is rarely carried out formally because the owners lack the necessary resources, including time, money, knowledge, education, training, and skills. Although one might suspect they like to plan, they find it difficult to put their thoughts into a written plan. They are satisfied with how they run their business and expanding into new markets is not a high priority. Micro-enterprises also lack competitive advantages when selling products at a low price, collaborating with business partners, and expanding to other locations to enter new markets. This suggests that micro-enterprises struggled to undercut their competitors because they may have been concerned about their profitability.

The study also found a significant relationship between strategic management and competitive advantage. This study proved that strategic management gives micro-enterprises a competitive advantage, enabling them to outperform their competitors in the industry. Strategic management is essential for micro-enterprises because it involves creating and designing plans to contend with competition and assure long-term survival and growth.

Hence, microenterprises with a consistent and clear strategy will outperform those without a formal, thorough strategy. Most microenterprises in the province of Batangas are experiencing struggles to achieve competitive advantage because they have informal strategic management practices. Overall, the study's findings suggest that strategic management is crucial for microenterprises that want to expand and grow, increase their competitive edge over rivals, and seek consistency between their actual results and anticipated goals.

These results hold implications for theory and practice. The findings of this study are a newly discovered addition to current theories and a venue for establishing elements for new theories. This study may also shape the field of entrepreneurship in the Philippines. The Department of Trade and Industry (DTI) and the Philippine Center for Entrepreneurship (PCE) could assist micro enterprises in the country through mentorship or facility-sharing,

To improve the current state of microenterprises in the province of Batangas, the owners/managers are advised to develop a detailed business plan to improve their strategic management practices. They are also urged to cut back on their spending and understand the value of setting up a budget. Additionally, it is advised that microenterprise owners

and managers make their strategies apparent by presenting them in various ways so that everyone can completely comprehend them and how employees can contribute to their success. Additionally, make sure that communication is two-way by getting their input. Additionally, it is suggested that they provide funds to help each method. Identify the people who will be in charge of implementing the plan. Additionally, they are required to offer incentives that are embedded into both short-term and strategic accomplishments. The owners and managers of the microenterprises must regularly meet to discuss the plan. Setting performance objectives is essential for them to monitor their growth over time. Additionally, they are advised to get client feedback on how to improve the plan. Directly speak with them or carry out a quick on-site survey. Adapt their strategy as the scenario evolves. To obtain a competitive advantage, microbusiness owners and managers are urged to exercise strict inventory control, hold down labor costs, and keep main operating expenditures under control. Learn to work together with their competitors, distributors, and suppliers to cut costs and gain access to superior technology. Also, have the mindset for business expansion but identify the right time to expand the business. Finally, the provincial government of Batangas is advised to develop standards for creating a system of support for microenterprises. They are urged to increase microbusinesses' access to capital, information systems, and global markets. establishing financial, legal, and governmental institutions that support entrepreneurship.

The study's findings have to be seen in light of some limitations. First, it is conducted only in the province of Batangas and the sample microenterprises are selected only from those enterprises operated in the first-class municipalities of Batangas, hence, the gathered sample size could not conclude a valid research result. Also, this study did not consider the business profile of the microenterprises that could in some way be tested the differences in strategic management practices and competitive advantage based on the microenterprises' profile. Furthermore, the researcher used only the quantitative research method, thus other researchers may use mixed method of research. Given the limitations above, the research results cannot be generalized in any other context.

The limitations of this research point toward topics to be addressed in the future. Future researchers may conduct additional research to investigate the microenterprises in other municipalities. The findings also suggest a need for further research in other provinces of the Philippines. It is also recommended that future research may consider the business profile and test if the strategic management practices differ based on the business profile. It has an impact on competitive advantage. This will enhance the already-existing research on the subject and serve as a comparison or benchmark.

Author Contribution

The author confirms sole responsibility for the following: study conception and design, data collection, analysis and interpretation of results, manuscript preparation, and finalisation of the paper.

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