Online ISSN: 3082-5121
Aloysian Interdisciplinary Journal of Social Sciences, Education, and Allied Fields
https://journals.aloysianpublications.com
Volume 2 Issue 9 (2026)

# Business Strategies of Small and Medium Enterprises for Value Creation and Competitive Advantage: Basis for a Sustainable Action Plan in Bicol

Reyna A. Velasco [1], Dr. Josielyn M. Mendoza [1]

1 – University of Perpetual Help System DALTA

Publication Date: September 23, 2026 DOI: **10.5281/zenodo.22918271**

**Abstract**

The study examined the business strategies employed by SMEs in Bicol in terms of RBV practices, competitive strategies, and value creation strategies. It also determined significant differences in these strategies when respondents were grouped according to profile variables, examined the relationship between competitive strategies and value creation, and used the findings as a basis for a sustainable business action plan for SME success. The study utilized a descriptive-correlational research design in conjunction with a quantitative research method and involved 120 respondents composed of 45 managers and 75 business owners from 45 participating establishments in the Municipality of Ragay, Camarines Sur. The findings showed that the RBV dimensions were Fully Implemented (M = 4.52–4.58), while Cost Leadership, Differentiation, and Focus Strategies were Highly Effective (M = 4.46–4.59). Value creation for owners, customers, and employees was also Highly Effective (M = 4.29–4.63). Significant differences were found in selected RBV dimensions according to age, position, and industry or sector, while the effectiveness of Porter's strategies differed by position and, for selected strategies, by industry or sector. All value creation dimensions were significantly and positively related to the three competitive strategies, with the strongest relationship between Focus Strategy and Value to Owners ($r_s = .722$, $p < .001$). The study concluded that SMEs demonstrated full implementation of RBV practices and highly effective competitive and value creation strategies. With this, the study recommends that SMEs sustain and strengthen their existing resource management, competitive strategies, and stakeholder value creation practices while adapting them to selected differences associated with age, management position, and industry context to support long-term competitiveness and business sustainability.

**Keywords:** *business strategies, small and medium enterprises, value creation, competitive advantage, sustainable action plan*

## Introduction

Small and Medium Enterprises (SMEs) generally adopt business strategies centered on flexibility, resource optimization, niche specialization, and incremental innovation. These strategies allow SMEs to compete despite limited capital and smaller operational scale. SMEs often rely on their agility, close customer relationships, and adaptability to market shifts as strategic advantages. To enhance these strategies, SMEs can strengthen their internal capabilities through digital transformation, skills upgrading, and improved operational processes. Implementing these enhancements in real business settings may involve adopting digital inventory systems, forming partnerships with suppliers, focusing on niche markets, and innovating products or services based on customer feedback. Such actions help SMEs transform operational limitations into sustainable strategic strengths.

Value creation refers to the process of delivering products or services that provide meaningful benefit to customers, while competitive advantage refers to the firm's ability to outperform rivals by offering superior value. SMEs enhance value creation by improving product quality, innovating offerings, strengthening customer relationships, and leveraging unique capabilities. Competitive advantage can be boosted by using strategic tools such as cost leadership, differentiation, or focus strategies, all of which enable SMEs to stand out in the marketplace. Farida and Setiawan (2022) emphasized the role of business strategy, innovation, and competitive advantage in strengthening business performance. This highlights the importance of internal processes and capability development in strengthening value creation. Thus, exploring SMEs' business strategies for value creation and competitive advantage is essential for understanding how strategic actions translate into meaningful stakeholder value and long-term sustainability.

This study is grounded in established national policies that promote SME development in the Philippines. A primary legal basis is Republic Act 6977, known as the Magna Carta for Small Enterprises, which mandates the promotion, support, and development of SMEs as a national priority (Republic Act 6977, 1991). This Act emphasizes technology transfer, entrepreneurship training, and financing access. Republic Act 8289 further strengthened institutional support by expanding SME development programs and formalizing SME assistance mechanisms (Republic Act 8289, 1997). Republic Act 9501, or the Magna Carta for Micro, Small and Medium Enterprises, institutionalized the MSMED Council, capability-building initiatives, and the role of SMEs in national economic growth (Republic Act 9501, 2008). These policy frameworks establish the relevance of examining how SMEs use business strategies to create value and develop competitive advantage.

Despite strong legal support, many SMEs still face challenges related to insufficient resources, limited technical expertise, weak market positioning, and inadequate strategic planning. SMEs continue to face challenges in digital adoption and organizational readiness, particularly where financial resources, technological knowledge, and internal capabilities are limited (Yuwono et al., 2024; Sagala & Őri, 2024). Although existing literature recognizes that

Online ISSN: 3082-5121
Aloysian Interdisciplinary Journal of Social Sciences, Education, and Allied Fields
https://journals.aloysianpublications.com
Volume 2 Issue 9 (2026)

innovation, strategic management, and market responsiveness improve SME competitiveness, a clear gap remains in understanding how SMEs integrate business strategy with value creation and competitive advantage in specific local contexts. Sutrisno et al. (2024) highlighted the importance of innovative strategies aligned with community needs, reinforcing the need for context-specific evidence among SMEs. Addressing this gap allows the study to contribute actionable insights and evidence-based strategies for strengthening SME competitiveness.

The present study integrates the Resource-Based View, Porter's competitive strategies, and value creation for owners, customers, and employees. The Resource-Based View emphasizes the effective utilization of internal resources, capabilities, and core competencies to sustain competitive advantage, while Porter's cost leadership, differentiation, and focus strategies provide approaches for competitive positioning. Value creation reflects the benefits SMEs generate for owners, customers, and employees. Respondent profile serves as a grouping variable for testing differences in the implementation and perceived effectiveness of these strategies, while the framework also examines the correlation between competitive strategies and value creation. Together, these components provide the basis for developing a sustainable business action plan intended to strengthen strategic decision-making and long-term competitiveness.

Therefore, this study examined the business strategies employed by SMEs in the Municipality of Ragay, Camarines Sur, in terms of RBV practices, Porter's competitive strategies, and value creation strategies. It also determined significant differences according to respondent profile, examined the relationship between competitive strategies and value creation, and developed a sustainable business action plan based on the findings.

Specifically, it sought to answer the following research questions:

1. To what extent do SME owners and managers implement Resource-Based View (RBV) practices in sustaining competitive advantage in terms of:

    1.1 Resources;

    1.2 Capabilities;

    1.3 Competitive Advantage; and

    1.4 Strategy?

2. Is there a significant difference in the extent of implementation of RBV practices when respondents are grouped according to profile variables?

3. What is the assessment of SME owners and managers regarding the effectiveness of Michael Porter's competitive strategies when applied to their businesses in terms of:

    3.1 Cost Leadership Strategy;

    3.2 Differentiation Strategy; and

Online ISSN: 3082-5121
Aloysian Interdisciplinary Journal of Social Sciences, Education, and Allied Fields
https://journals.aloysianpublications.com
Volume 2 Issue 9 (2026)

3.3 Focus Strategy?

4. Is there a significant difference in respondents' assessments of the effectiveness of Michael Porter's competitive strategies when grouped according to profile variables?

5. What is the assessment of SME owners and managers regarding the effectiveness of value creation strategies in supporting business success in terms of:

5.1 Value to Owners;

5.2 Value to Customers; and

5.3 Value to Employees?

6. Is the perceived effectiveness of value creation strategies significantly correlated with the perceived effectiveness of the competitive strategies applied by SMEs?

7. Based on the findings and results of the study, what sustainable business action plan shall be created to ensure the success of SMEs in Bicol?

## Methodology

### Research Design

The study utilized a descriptive-correlational research design in conjunction with a quantitative research method. This design aimed to explore relationships among SMEs' business strategies, the implementation of the Resource-Based View Theory, competitive strategies, and value creation, and to examine how these elements contributed to sustaining competitive advantage without attempting to establish a cause-and-effect relationship. The variables were not manipulated or controlled; instead, the study observed SMEs' strategic practices, resource utilization, and competitive strategies in their natural operational environments. Data were collected through structured survey questionnaires and analyzed to identify patterns, correlations, and significant differences among groups based on age, sex, position, years in the business, and industry or sector.

### Research Locale

The study was conducted in the Municipality of Ragay, Camarines Sur. The participating enterprises represented various trade and service activities within the municipality, providing the local setting for examining SME resource management, competitive strategies, value creation, and competitive advantage.

### Respondents and Sampling

The study covered 45 business establishments operating within the Municipality of Ragay, Camarines Sur. These consisted of 15 microenterprises, 15 small enterprises, and 15

Online ISSN: 3082-5121
Aloysian Interdisciplinary Journal of Social Sciences, Education, and Allied Fields
https://journals.aloysianpublications.com
Volume 2 Issue 9 (2026)

medium enterprises engaged in various trade and service sectors. The respondents consisted of 45 managers and 75 business owners from the 45 participating establishments, for a total of 120 respondents. The researchers selected more than one eligible owner or manager from some establishments to reach the required number of respondents. All selected respondents had direct knowledge of their establishments' operations and strategic decisions. Non-managerial employees who did not participate in strategic decision-making were not included because several questionnaire items required knowledge of resource allocation, competitive positioning, and long-term business direction.

**Inclusion Criteria**

Managers were required to be currently employed or officially designated as managers of the selected enterprises, to have direct responsibility for managing, supervising, or coordinating business operations, to have served in their managerial positions for at least six months, and to voluntarily agree to participate. Business owners were required to be the registered or recognized owners of the selected enterprises, to be directly involved in management, supervision, or decision-making, to have businesses operational for at least six months, and to voluntarily agree to participate.

**Research Instrument**

The study used a researcher-designed survey questionnaire aligned with the Statement of the Problem, theoretical framework, and related literature on RBV practices, competitive strategies, and value creation. The questionnaire contained four parts. Part I gathered age, sex, position in the business, years in the business, and industry or sector. Part II measured the extent of implementation of RBV-related practices in terms of Resources, Capabilities, Competitive Advantage, and Strategy using a five-point implementation scale. Part III measured the perceived effectiveness of Cost Leadership, Differentiation, and Focus Strategies using a five-point effectiveness scale. Part IV measured the perceived effectiveness of value creation in terms of Value to Owners, Value to Customers, and Value to Employees.

The questionnaire underwent content validation by three validators: one associate professor from the academe, one statistician, and one research coordinator from Ragay District 2. The instrument was accepted with revisions. After the research adviser's approval, the revised instrument was pilot-tested among 25 SME owners or managers with characteristics similar to the target respondents but who did not participate in the main study. Cronbach's alpha was computed to determine internal consistency and yielded a coefficient of 0.84.

**Data Collection Procedure**

Data gathering proceeded after the revised research instrument had been approved and institutional ethical requirements had been fulfilled. The researcher secured the necessary approval and endorsement from the Graduate School and obtained permission from the concerned authorities and organizations. The revised and validated survey questionnaire was administered to qualified SME owners and managers. Each respondent received information about the purpose of the study, the procedures involved, the voluntary nature of participation, the right to decline or withdraw, informed consent, and confidentiality. Completed questionnaires were checked for completeness and consistency, coded, encoded in Microsoft Excel, and prepared for statistical analysis. The instrument did not request the names of respondents or businesses, and results were reported in aggregate form.

**Statistical Treatment of Data**

Frequency and percentage were used to describe the respondent profile. Mean and standard deviation were used to determine the implementation of RBV practices and the perceived effectiveness of Porter's competitive strategies and value creation strategies. Because the majority of groups violated the assumption of normality, the Mann–Whitney U test was used for comparisons involving two groups and the Kruskal–Wallis H test for comparisons involving more than two groups. The six variables included in the correlation analysis significantly deviated from normality; therefore, Spearman's rho was used to examine relationships between competitive strategies and value creation. The level of significance was set at $p < .05$.

**Results**

Table 1
Summary Assessment of the Implementation of Resource-Based View Theory

| Dimensions | Mean | SD | Interpretation | Rank |
|---|---|---|---|---|
| Resources | 4.57 | 0.44 | Fully Implemented | 2 |
| Capabilities | 4.58 | 0.86 | Fully Implemented | 1 |
| Competitive Advantage | 4.52 | 0.53 | Fully Implemented | 3.5 |
| Strategy | 4.52 | 0.49 | Fully Implemented | 3.5 |

Table 1 shows that all dimensions of the Resource-Based View Theory were Fully Implemented. Capabilities obtained the highest overall mean (M = 4.58, SD = 0.86), followed by Resources (M = 4.57, SD = 0.44). Competitive Advantage and Strategy both obtained an overall mean of 4.52 and were also interpreted as Fully Implemented.

Table 2
Summary of Significant Differences in the Implementation of Resource-Based View Theory According to Profile

| Profile Variable | Significant Dimensions | Not Significant Dimensions | Overall Result |
|---|---|---|---|
| Age | Resources; Competitive Advantage | Capabilities; Strategy | Significant in selected dimensions |
| Sex | None | Resources; Capabilities; Competitive Advantage; Strategy | Not Significant |
| Position in the Business | Resources; Competitive Advantage | Capabilities; Strategy | Significant in selected dimensions |
| Years in the Business | None | Resources; Capabilities; Competitive Advantage; Strategy | Not Significant |
| Industry/Sector | Resources; Capabilities; Competitive Advantage | Strategy | Significant in selected dimensions |

Table 2 shows that age significantly differentiated Resources, $H(4) = 17.627$, $p = .001$, and Competitive Advantage, $H(4) = 11.396$, $p = .022$. Position in the business also produced significant differences in Resources, $U = 1001.5$, $p < .001$, and Competitive Advantage, $U = 1239.5$, $p = .011$, with managers reporting higher mean ranks. Industry or sector significantly differentiated Resources, $H(5) = 20.077$, $p = .001$, Capabilities, $H(5) = 23.314$, $p < .001$, and Competitive Advantage, $H(5) = 15.955$, $p = .007$. No significant RBV differences were found according to sex or years in the business.

Table 3
Assessment of the Effectiveness of Michael Porter's Competitive Strategies

| Competitive Strategy | Mean | SD | Interpretation | Rank |
|---|---|---|---|---|
| Cost Leadership Strategy | 4.59 | 0.49 | Highly Effective | 1 |
| Focus Strategy | 4.51 | 0.56 | Highly Effective | 2 |
| Differentiation Strategy | 4.46 | 0.51 | Highly Effective | 3 |

Table 3 shows that all three competitive strategies were assessed as Highly Effective. Cost Leadership Strategy obtained the highest overall mean (M = 4.59, SD = 0.49), followed by Focus Strategy (M = 4.51, SD = 0.56) and Differentiation Strategy (M = 4.46, SD = 0.51).

Table 4
Summary of Significant Differences in the Effectiveness of Michael Porter's Competitive Strategies According to Profile

| Profile Variable | Significant Strategies | Not Significant Strategies | Overall Result |
|---|---|---|---|
| Age | None | Differentiation; Cost Leadership; Focus | Not Significant |
| Sex | None | Differentiation; Cost Leadership; Focus | Not Significant |
| Position in the Business | Differentiation; Cost Leadership; Focus | None | Significant in all three |
| Years in the Business | None | Differentiation; Cost Leadership; Focus | Not Significant |
| Industry/Sector | Differentiation; Focus | Cost Leadership | Significant in selected strategies |

Table 4 indicates no significant differences in the effectiveness of Differentiation, Cost Leadership, and Focus Strategies according to age, sex, or years in the business. Significant differences were found according to position in the business for Differentiation Strategy, U = 1345.0, p = .048; Cost Leadership Strategy, U = 1284.5, p = .025; and Focus Strategy, U = 1180.5, p = .004, with managers obtaining higher mean ranks than owners. Industry or sector

Online ISSN: 3082-5121
Aloysian Interdisciplinary Journal of Social Sciences, Education, and Allied Fields
https://journals.aloysianpublications.com
Volume 2 Issue 9 (2026)

showed significant differences for Differentiation Strategy, H(5) = 15.91, $p = .007$, and Focus Strategy, H(5) = 18.947, $p = .002$, but not for Cost Leadership Strategy, H(5) = 3.004, $p = .699$.

Table 5
Assessment of the Effectiveness of Value Creation Strategies

| Value Creation Dimension | Mean | SD | Interpretation | Rank |
|---|---|---|---|---|
| Value to Customers | 4.63 | 0.47 | Highly Effective | 1 |
| Value to Owners | 4.58 | 0.51 | Highly Effective | 2 |
| Value to Employees | 4.29 | 0.59 | Highly Effective | 3 |

Table 5 shows that all value creation strategies were assessed as Highly Effective. Value to Customers obtained the highest overall mean (M = 4.63, SD = 0.47), followed by Value to Owners (M = 4.58, SD = 0.51) and Value to Employees (M = 4.29, SD = 0.59).

Table 6 shows significant positive relationships between all dimensions of value creation and the three competitive strategies. Value to Owners had a moderate relationship with Differentiation Strategy ($r_s = .521$, $p < .001$) and strong relationships with Cost Leadership ($r_s = .675$, $p < .001$) and Focus Strategy ($r_s = .722$, $p < .001$). Value to Customers had moderate relationships with Differentiation ($r_s = .461$, $p < .001$) and Cost Leadership ($r_s = .537$, $p < .001$), and a strong relationship with Focus Strategy ($r_s = .603$, $p < .001$). Value to Employees had weak but significant positive relationships with Differentiation ($r_s = .385$), Cost Leadership ($r_s = .384$), and Focus Strategy ($r_s = .337$), all $p < .001$.

Table 6
Significant Correlation of Value Creation Strategies with Competitive Strategies

| Value Creation | Competitive Strategy | $r_s$ | Strength | p-value | Remark |
|---|---|---|---|---|---|
| Value to Owners | Differentiation Strategy | .521 | Moderate | < .001 | Significant |
| Value to Owners | Cost Leadership Strategy | .675 | Strong | < .001 | Significant |
| Value to Owners | Focus Strategy | .722 | Strong | < .001 | Significant |

| | | | | | |
|---|---|---|---|---|---|
| Value to Customers | Differentiation Strategy | .461 | Moderate | < .001 | Significant |
| Value to Customers | Cost Leadership Strategy | .537 | Moderate | < .001 | Significant |
| Value to Customers | Focus Strategy | .603 | Strong | < .001 | Significant |
| Value to Employees | Differentiation Strategy | .385 | Weak | < .001 | Significant |
| Value to Employees | Cost Leadership Strategy | .384 | Weak | < .001 | Significant |
| Value to Employees | Focus Strategy | .337 | Weak | < .001 | Significant |

## Discussions

### Implementation of Resource-Based View Theory

As shown in Table 1, the SMEs fully implemented the Resource-Based View Theory across Resources, Capabilities, Competitive Advantage, and Strategy. In terms of Resources, the overall mean was M = 4.57 (SD = 0.44). Financial resources managed to maximize operational effectiveness obtained the highest indicator mean (M = 4.63, SD = 0.54), while technological resources obtained the lowest (M = 4.43, SD = 0.69), although both were interpreted as Fully Implemented. The findings indicate that financial, physical, human, and material resources are generally managed and aligned with organizational goals. Effective resource allocation and management support organizational performance and business objectives (Ardiantono et al., 2024). The comparatively lower rating for technological resources indicates that technology is being used but can still be maximized. This aligns with studies showing that SMEs continue to face limitations in digital technology adoption and use because of financial, technical, and organizational constraints (Yuwono et al., 2024; Sagala & Őri, 2024). In the Philippine context, Yap and Fabroa (2025) likewise found that digital technology is relevant to MSME business performance. Overall, resource management represents an important strength of the surveyed SMEs, while technology remains a practical area for continued improvement.

Capabilities obtained the highest overall assessment among the four RBV dimensions (M = 4.58, SD = 0.86). The development of skills and expertise that enhance performance received the highest indicator mean, while employee training to implement business strategies obtained the lowest indicator mean. These findings suggest that the SMEs place strong emphasis on skills, expertise, innovation, problem-solving, and core competencies, but still have opportunities to strengthen workforce development. Generalao (2024) identified skills gaps, limited training capacity, and the need for stronger industry participation in enterprise-based training in the Philippine context. Evidence on SMEs also shows that dynamic capabilities and digitalization contribute to competitive advantage (Saputra et al., 2024), while knowledge management and innovation capability can strengthen organizational performance and competitive advantage (Achmad & Wiratmadja, 2025). Thus, the strong capability profile indicates that these SMEs are positioned to respond to market demands, although continuing employee development is necessary to sustain this advantage.

Competitive Advantage was also Fully Implemented (M = 4.52, SD = 0.53). The highest-rated indicator was implementing strategies to create a sustainable market position, while differentiation of products or services to attract and retain customers received the lowest mean. The findings indicate that SMEs actively pursue competitive advantage through strategic planning, market monitoring, unique strengths, and continuous improvement. Organizational resources and capabilities are important foundations of competitive advantage (Belas et al., 2024; Achmad & Wiratmadja, 2025). The comparatively lower differentiation indicator suggests that the surveyed SMEs may further strengthen distinctiveness in products, services, branding, and customer experience. Overall, the results indicate that the participating businesses have established competitive advantage, but differentiation remains an area that can be further developed to support customer attraction and retention.

Strategy was Fully Implemented, with an overall mean of M = 4.52 (SD = 0.49). Strategic decision-making that considers market trends and customer needs obtained the highest indicator mean. The results suggest that the SMEs practice deliberate and adaptive strategic management by aligning business strategies with long-term goals, evaluating outcomes, and responding to market and customer conditions. Strategic agility is important to firm performance in both developed and emerging markets (Vrontis et al., 2023), while strategic communication can support implementation by strengthening participation, information sharing, feedback, and collaboration (Alakaş & Öztürk, 2026). Sari et al. (2024) likewise found that sustainable strategic planning and management influence sustainable performance among MSMEs. Taken together, the findings on Resources, Capabilities, Competitive Advantage, and Strategy demonstrate that the surveyed SMEs possess a strong internal base for sustaining competitiveness, while continued technology adoption, employee training, differentiation, and strategy communication can further strengthen implementation.

**Differences in Resource-Based View Theory According to Profile**

The significant differences in Resources and Competitive Advantage according to age indicate that age may be associated with how respondents perceive and utilize organizational resources and competitive position. Respondents aged 36–45 years obtained the highest mean ranks for both Resources and Competitive Advantage. However, age did not significantly differentiate Capabilities and Strategy. This pattern suggests that demographic characteristics alone do not determine the development of organizational capabilities or strategic practices. Handoyo et al. (2023) emphasized that firm characteristics should be considered together with the business environment and strategic orientation, while Otache (2024) showed that entrepreneurial management and the effective use of organizational resources contribute to competitive advantage and SME performance.

No significant differences in Resources, Capabilities, Competitive Advantage, and Strategy were found according to sex. This indicates that male and female respondents held generally comparable assessments of the RBV dimensions. The finding is consistent with evidence that gender differences in SME outcomes are not necessarily direct or uniform across dimensions of business performance (Expósito et al., 2024). Sudarnice et al. (2024) also emphasized that gender interacts with entrepreneurial behavior and access to capital rather than acting as a standalone determinant of business outcomes. Accordingly, the results suggest that resource use, capability development, competitive advantage, and strategic practices among the surveyed SMEs are not primarily explained by sex.

Position in the business significantly differentiated Resources and Competitive Advantage, with managers reporting higher mean ranks than owners. This may reflect differences in managerial responsibilities and closer exposure to day-to-day resource allocation, operational decisions, and competitive actions. Otache (2024) emphasized that entrepreneurial management is associated with competitive advantage and SME performance, while Abid et al. (2023) demonstrated that SMEs can use resources embedded within the firm to strengthen competitive advantage under resource constraints. At the same time, no significant differences were found in Capabilities and Strategy according to position, indicating that these dimensions may be perceived more consistently across owners and managers.

Years in the business did not significantly differentiate Resources, Capabilities, Competitive Advantage, or Strategy. The absence of differences suggests that business longevity alone does not determine how SMEs perceive their internal resources and strategic practices. Handoyo et al. (2023) similarly noted that firm age should be considered together with business-environment and strategic-orientation factors, while Kim and Trulaske (2024) showed that the effects of firm age on organizational performance depend on contextual conditions such as industry dynamism and organizational practices. Thus, SMEs with different lengths of operation may still maintain comparable resource, capability, competitive, and strategic practices.

For industry or sector, Education had the highest mean ranks for Resources (MR = 90.60) and Capabilities (MR = 94.50). Information Technology/Software had the lowest mean ranks for Resources and Capabilities, and also the lowest mean rank for Competitive Advantage. Industry or sector significantly differentiated Resources, Capabilities, and Competitive Advantage but not Strategy. These differences may reflect sector-specific operational requirements, resource structures, technological demands, and competitive environments. Saeedikiya et al. (2024) emphasized that organizations develop capabilities in response to technological and market conditions, while Saputra et al. (2024) found that dynamic capabilities and digitalization contribute to competitive advantage. Achmad and Wiratmadja (2025) further showed that knowledge management, innovation capability, and organizational resources can strengthen competitive advantage. Overall, industry context appears to shape the availability and use of resources and capabilities even when strategic approaches remain broadly similar across sectors.

**Effectiveness of Michael Porter's Competitive Strategies**

As presented in Table 3, Cost Leadership, Focus, and Differentiation Strategies were all assessed as Highly Effective. Cost Leadership ranked first (M = 4.59, SD = 0.49). The detailed findings show that minimizing production or operational costs obtained the highest indicator mean, followed by prioritizing cost control in strategic decision-making. This indicates that the surveyed SMEs emphasize operational efficiency, competitive pricing, overhead reduction, and continuous improvement as mechanisms for maintaining profitability. Research shows that cost leadership can improve SME competitiveness and performance when firms control costs and use resources efficiently (Isichei et al., 2024). Arianpoor and Moghaddampoor (2024) likewise emphasized that cost leadership can contribute to supply-chain management efficiency. The high rating of Cost Leadership therefore reflects the practical importance of efficiency and cost control in resource-constrained SMEs.

Focus Strategy ranked second (M = 4.51, SD = 0.56). Tailoring products or services to the needs of a particular customer group was its highest-rated indicator, followed by specialized offerings and targeting a defined market segment or niche. The results indicate that the SMEs prioritize depth of service within specific markets rather than broad market coverage. Customer participation and customization can enhance perceived value and customer satisfaction (Ngo & O'Cass, 2023), while market segmentation and customer relationship capabilities can improve SME performance by concentrating resources on clearly defined customer groups (Kamboj & Rahman, 2024). Cenamor et al. (2023) further explained that entrepreneurial SMEs can leverage digital technologies to create and capture value in niche markets. Thus, Focus Strategy is highly effective because it enables SMEs to match limited resources with specialized customer requirements.

Differentiation Strategy ranked third but remained Highly Effective (M = 4.46, SD = 0.51). Achieving customer satisfaction through distinctive features or services obtained the highest indicator mean, while product or service uniqueness and branding were comparatively lower. The results indicate that the SMEs actively pursue differentiation through distinctive offerings, innovation, and customer-oriented product development, but can further strengthen branding and uniqueness. Rubio-Andrés et al. (2024) found that competitive strategy and innovation can improve SME market performance, while Riviere and Upson (2025) showed that SMEs respond to customer and competitor pressures through strategic actions that include innovation and differentiated market responses. Pramuki and Kusumawati (2024) likewise linked market orientation and product innovation with marketing performance through competitive advantage. The comparatively lower rank of Differentiation does not indicate ineffectiveness;

Online ISSN: 3082-5121
Aloysian Interdisciplinary Journal of Social Sciences, Education, and Allied Fields
https://journals.aloysianpublications.com
Volume 2 Issue 9 (2026)

rather, it identifies an area where additional investment in branding, innovation, and unique customer value may further strengthen market positioning.

Taken together, the ranking of Cost Leadership first, Focus second, and Differentiation third indicates that the surveyed SMEs place greatest emphasis on operational efficiency, followed by specialized market responsiveness, while still maintaining a strong differentiation orientation. These strategies should not be interpreted as mutually exclusive. Gutiérrez-Broncano et al. (2024) found that hybrid competitive strategies can support SME performance through innovation and adaptive capacity. The findings therefore suggest that SMEs can sustain cost efficiency and niche responsiveness while strengthening differentiated value in order to remain competitive as market conditions change.

**Differences in Competitive Strategies According to Profile**

The effectiveness of Differentiation, Cost Leadership, and Focus Strategies did not significantly differ according to age or sex. This suggests that respondents across age and sex groups generally view the three competitive strategies as similarly effective. Handoyo et al. (2023) emphasized that strategic orientation is shaped by the business environment and organizational characteristics rather than by one demographic factor alone. Gutiérrez-Broncano et al. (2024) likewise associated competitive strategies with innovation and adaptive capacity, while Zahoor et al. (2024) highlighted the importance of strategic agility when SMEs respond to complex business challenges. Thus, the absence of age and sex differences indicates that competitive-strategy effectiveness may depend more on organizational and market conditions than on these respondent characteristics.

Position in the business significantly differentiated all three competitive strategies, with managers reporting higher mean ranks than owners for Differentiation, Cost Leadership, and Focus Strategies. The finding may reflect managers' closer involvement in translating strategic decisions into daily operations and evaluating their implementation. Lea and Khuong (2025) emphasized the contribution of strategic orientations, learning capability, and innovation to SME organizational effectiveness. Khattak (2024) also showed that managerial characteristics can influence digital transformation and sustainable competitive performance, while Anwar et al. (2025) identified multiple organizational antecedents of SME strategic orientation. Accordingly, managers' higher assessments may be associated with their greater operational exposure to how competitive strategies are executed and monitored.

**The actual Kruskal–Wallis results for years in business show no significant differences in Differentiation, Cost Leadership, or Focus Strategy**

This result indicates that the perceived effectiveness of competitive strategies is generally stable across businesses with different lengths of operation. Handoyo et al. (2023) and Kim and Trulaske (2024) both suggest interpreting firm age or longevity alongside organizational and environmental factors, rather than as a standalone determinant of performance or strategic behavior.

Online ISSN: 3082-5121
Aloysian Interdisciplinary Journal of Social Sciences, Education, and Allied Fields
https://journals.aloysianpublications.com
Volume 2 Issue 9 (2026)

Industry or sector significantly differentiated Differentiation and Focus Strategies, but not Cost Leadership. This suggests that sector-specific customer expectations, market structures, and opportunities for specialization shape how SMEs differentiate offerings and focus on selected segments. Navaia et al. (2023) associated differentiation with positional advantage when firms respond to market requirements, while Fluhrer and Brahm (2023) showed that SME positioning approaches vary with entrepreneurs' perceptions of their competitive environment. Eromafuru (2025) also emphasized the importance of industry-relevant core competencies in competitiveness. By contrast, the absence of an industry difference in Cost Leadership suggests that cost control and operating efficiency are broadly applicable across the sectors represented in the sample.

**Effectiveness of Value Creation Strategies**

As shown in Table 5, Value to Customers, Value to Owners, and Value to Employees were all assessed as Highly Effective. Value to Customers ranked first (M = 4.63, SD = 0.47). Consistently meeting customer expectations obtained the highest indicator mean, followed by prioritizing customer needs and preferences and providing high-quality, reliable products or services. The findings indicate that customer-centered practices are a core operational priority among the surveyed SMEs. Putri et al. (2024) demonstrated that customer orientation and service quality contribute to customer satisfaction, while Arkadan et al. (2024) emphasized that customer experience orientation supports value creation and stronger customer relationships. Madueke and Eyupoglu (2024) also linked service quality with customer loyalty among SMEs. The high rating for Value to Customers therefore reflects the importance of consistent quality, responsiveness, and customer experience in sustaining repeat patronage and business growth.

Value to Owners ranked second (M = 4.58, SD = 0.51). Risk management practices to protect owner investments obtained the highest indicator mean, followed by profit reinvestment and clear information on business performance. These results indicate that the SMEs create owner value through financial stewardship, risk management, reinvestment, accountability, and alignment with long-term owner interests. Belas et al. (2024) emphasized the role of financial management in SME sustainability, while Momtaz and Parra (2025) found that sustainability-oriented practices and ESG-related information can contribute to SME financial performance. Wen et al. (2023) further showed that governance mechanisms can support SME performance by strengthening oversight and accountability. Overall, the findings indicate that owner value is closely connected with responsible financial and strategic management.

Value to Employees ranked third but was still Highly Effective (M = 4.29, SD = 0.59). Maintaining a positive and supportive work environment obtained the highest indicator mean, while employee involvement in decision-making obtained the lowest. The results indicate that SMEs generally support employee welfare, fair compensation, development, motivation, and recognition, but employee participation in decisions remains an area for improvement. Ferrón Vílchez et al. (2024) found a reciprocal relationship between organizational support and employee engagement in SMEs. In the Philippine context, Abrias (2024) found that training and

Online ISSN: 3082-5121
Aloysian Interdisciplinary Journal of Social Sciences, Education, and Allied Fields
https://journals.aloysianpublications.com
Volume 2 Issue 9 (2026)

development and compensation can predict employee engagement. Wicaksari et al. (2024) also linked engagement and rewards with employee retention, while Gelencsér et al. (2024) highlighted the importance of employee involvement and organizational support in retention. Therefore, strengthening participation and empowerment may help the surveyed SMEs convert supportive employment practices into stronger commitment and engagement.

The ranking of Value to Customers first, Value to Owners second, and Value to Employees third suggests that the surveyed SMEs place greatest emphasis on external customer value and owner sustainability, while employee-oriented value receives comparatively less emphasis. This does not mean that employee value is weak, because it remained Highly Effective. Rather, it identifies an opportunity to strengthen employee development, recognition, communication, and involvement in decision-making. Paulino et al. (2024) emphasized that employee-centered human resource practices, including skill development, engagement, communication, and retention-oriented practices, can improve SME productivity and reduce turnover. A more balanced approach across customers, owners, and employees can therefore reinforce sustainable stakeholder value creation.

**Relationship Between Value Creation and Competitive Strategies**

As reflected in Table 6, all three competitive strategies were significantly and positively related to all dimensions of value creation. For Value to Owners, Differentiation Strategy had a moderate relationship ($r_s = .521$, $p < .001$), while Cost Leadership ($r_s = .675$, $p < .001$) and Focus Strategy ($r_s = .722$, $p < .001$) had strong relationships. The strongest association in the study was between Focus Strategy and Value to Owners. This suggests that concentrating resources on selected customer groups or market niches may be particularly compatible with protecting owner investments, reinvesting profits, supporting long-term owner interests, and generating financial returns.

For Value to Customers, Differentiation Strategy ($r_s = .461$, $p < .001$) and Cost Leadership Strategy ($r_s = .537$, $p < .001$) had moderate positive relationships, while Focus Strategy had a strong positive relationship ($r_s = .603$, $p < .001$). The stronger Focus relationship may reflect focused strategies' ability to identify specific customer groups and respond closely to specialized needs. Kamboj and Rahman (2024) linked market segmentation and customer relationship capabilities with SME performance and customer value, while Rather and Hollebeek (2024) emphasized the role of customer engagement and value creation in customer loyalty. The findings therefore show that strategies centered on targeted markets can be especially relevant to customer-oriented value.

The three relationships with Value to Employees were statistically significant but weak: Differentiation ($r_s = .385$), Cost Leadership ($r_s = .384$), and Focus Strategy ($r_s = .337$), all $p < .001$. This indicates that competitive strategies are more strongly associated with owner- and customer-oriented outcomes than with employee value. Komakech et al. (2024) nevertheless emphasized that employee engagement can interact with competitive strategy and contribute to competitiveness. The weaker coefficients therefore suggest that employee value may depend

Online ISSN: 3082-5121
Aloysian Interdisciplinary Journal of Social Sciences, Education, and Allied Fields
https://journals.aloysianpublications.com
Volume 2 Issue 9 (2026)

more directly on human-resource and organizational support practices than on market-facing competitive strategy alone.

Overall, the correlation findings establish that Differentiation, Cost Leadership, and Focus Strategies are significantly associated with value creation among the surveyed SMEs. Rubio-Andrés et al. (2024) reported that competitive strategies can enhance SME market performance through innovation, while Ngatno and Prihatini (2024) found that differentiation and cost leadership are associated with firm performance under varying environmental conditions. García Moreno (2024) likewise supported the positive role of differentiation in SME performance. The present findings extend this logic to stakeholder value by showing that competitive strategy is associated with value for owners, customers, and employees, although the strength of these relationships differs across stakeholder groups.

**Sustainable Business Action Plan**

Based on the findings, the study proposes an SME Sustainable Resource, Competitive Strategy, and Value Creation Enhancement Program. The action plan logically follows the areas identified in the results: technological resources and employee training require continued strengthening within the RBV dimensions; Differentiation, although Highly Effective, ranked below Cost Leadership and Focus; Value to Employees ranked below Value to Customers and Value to Owners; and selected differences according to age, position, and industry or sector indicate that improvement activities should not be applied uniformly to all SMEs.

The proposed program therefore focuses on strengthening financial, physical, human, and technological resource use; improving workforce capabilities and innovation; sustaining competitive advantage through market monitoring and continuous improvement; strengthening strategic management; maintaining Cost Leadership and Focus while improving Differentiation; sustaining value creation for customers and owners; and enhancing employee value, engagement, and continuous development. Continuous monitoring and evaluation ensure the recommended activities respond to actual SME conditions and contribute to long-term competitiveness and business sustainability. In this way, the action plan serves as the practical integration of the study's RBV, competitive strategy, and value creation findings.

## Conclusion

1. The Resource-Based View Theory was fully implemented among the SMEs, as reflected in the high ratings across Resources, Capabilities, Competitive Advantage, and Strategy. This indicates that the SMEs generally possess and utilize resources, capabilities, competitive practices, and strategies that support the development and maintenance of their competitive advantage.

2. The implementation of the Resource-Based View Theory differed significantly according to age in terms of Resources and Competitive Advantage, according to position in

terms of Resources and Competitive Advantage, and according to industry or sector in terms of Resources, Capabilities, and Competitive Advantage. No significant differences were found across all RBV dimensions according to sex and years in the business, while Strategy also did not significantly differ according to age, position, and industry or sector. Therefore, implementation of the Resource-Based View Theory varies by selected respondent characteristics, particularly age, position, and industry or sector, rather than uniformly across all profile variables.

3. Porter's competitive strategies were found to be highly effective among the SMEs, with Cost Leadership obtaining the highest overall assessment, followed by Focus and Differentiation Strategies. This indicates that SMEs effectively use cost efficiency, market focus, and differentiation practices to strengthen their competitive positioning.

4. The effectiveness of Porter's competitive strategies did not significantly differ according to age, sex, and years in the business. However, position showed significant differences across all three strategies, and industry or sector showed significant differences for the Differentiation and Focus Strategies. Thus, perceived effectiveness is generally consistent across most respondent characteristics but varies by position and, for selected strategies, by the industry or sector in which the SME operates.

5. The value creation strategies of the SMEs were found to be highly effective, with Value to Customers receiving the highest assessment, followed by Value to Owners and Value to Employees. This indicates that SMEs place strong emphasis on creating value for stakeholders, particularly customers, while still recognizing the importance of generating value for owners and employees.

6. All dimensions of value creation were found to have significant positive relationships with Differentiation, Cost Leadership, and Focus Strategies. The strongest relationships were observed between Value to Owners and Focus Strategy, followed by Value to Owners and Cost Leadership Strategy. Therefore, higher assessments of value creation were associated with higher assessments of the effectiveness of the competitive strategies employed by the SMEs, demonstrating a significant relationship between value creation and competitive positioning.

7. Based on the findings of the study, a sustainable business action plan for SMEs in Bicol can be developed by integrating the identified strengths and areas for improvement in Resource-Based View practices, competitive strategies, and value creation. The findings provide a basis for sustaining effective resource management, Cost Leadership and Focus Strategies, and value creation for customers and owners, while strengthening technological resources, employee capability development, Differentiation Strategy, and value creation for employees. The plan should also consider significant variations according to age, position, and industry or sector to ensure that proposed interventions respond to the differing conditions and needs of SMEs.

Online ISSN: 3082-5121
Aloysian Interdisciplinary Journal of Social Sciences, Education, and Allied Fields
https://journals.aloysianpublications.com
Volume 2 Issue 9 (2026)

**Recommendation**

1. Sustain the full implementation of Resource-Based View practices through regular resource assessment, capability development, and continuous improvement activities. SME owners and managers may periodically review financial and inventory controls, maximize the use of physical and human resources, adopt appropriate digital and technological tools, provide continuing training and cross-training for employees, encourage employee suggestions, and conduct process-improvement and innovation activities. Particular attention may be given to technological resource utilization and employee training, which received lower ratings within the Resources and Capabilities dimensions despite being fully implemented.

2. Adopt targeted and needs-based adjustments in Resource-Based View practices according to age, position in the business, and industry or sector. SME owners and managers may conduct periodic assessments of resource availability, technological requirements, workforce capabilities, and competitive conditions before determining the type of assistance required by each group. Owners and managers may undertake joint resource reviews and clarify their respective responsibilities in resource allocation and competitive decision-making, while industry-specific interventions may include technology support, skills development, market analysis, and resource-management training based on the operational requirements of each sector. Since no significant differences were established according to sex and years in business, interventions need not be differentiated solely on the basis of these variables.

3. Maintain the high effectiveness of Cost Leadership and Focus Strategies while continuously strengthening Differentiation Strategy through specific competitive practices. SMEs may sustain Cost Leadership by regularly monitoring operating costs, controlling overhead and waste, maintaining competitive pricing, and improving process efficiency. SMEs may maintain a Focus Strategy by identifying clearly defined customer segments and tailoring products, services, pricing, and promotional activities to their specific needs. Differentiation Strategy may be further strengthened by conducting customer-preference analyses, identifying gaps in existing products and services, developing distinctive product or service features, improving branding, packaging, service delivery, and customer experience, and testing new or improved offerings on a small scale before full implementation.

4. Strengthen coordination between SME owners and managers in competitive-strategy decision-making and adapt Differentiation and Focus Strategies to industry-specific conditions. Owners may focus on long-term strategic decisions involving pricing direction, major investments, target markets, business positioning, and expansion, while managers may translate these decisions into operational activities involving cost control, inventory management, supplier coordination, promotions, service delivery, and customer relations. SMEs may also conduct periodic customer, competitor, and industry analyses to guide

Online ISSN: 3082-5121
Aloysian Interdisciplinary Journal of Social Sciences, Education, and Allied Fields
https://journals.aloysianpublications.com
Volume 2 Issue 9 (2026)

adjustments in product or service features, branding, promotional approaches, and target-market strategies according to the operating conditions of their respective industries.

5. Sustain the highly effective value creation strategies for customers, owners, and employees through continuous monitoring and stakeholder-centered practices. SMEs may maintain customer value by regularly gathering customer feedback, monitoring customer satisfaction, improving complaint-resolution mechanisms, and ensuring reliable product and service quality. SMEs may sustain value to owners through periodic financial-performance reviews, risk assessments, clear reporting of business performance, and appropriate profit-reinvestment decisions. Value to employees may be strengthened by maintaining fair compensation and benefits, professional-development opportunities, recognition programs, and a supportive work environment while increasing employee participation in appropriate business decisions. Greater attention to employee participation is warranted because employee involvement in decision-making obtained the lowest mean among the employee-value indicators, although it remained Highly Effective

6. Integrate value creation with Cost Leadership, Differentiation, and Focus Strategies through regular strategic monitoring and review. SMEs may ensure that cost-efficiency initiatives under Cost Leadership do not compromise product or service quality and employee welfare; assess whether differentiation initiatives improve customer satisfaction, innovation, and financial returns; and determine whether Focus Strategy enhances customer satisfaction, retention, and performance within selected market segments. SME owners and managers may regularly monitor operating costs, profitability, customer satisfaction, repeat patronage or retention, employee engagement, and strategic performance and use these results to identify areas requiring adjustment. They may also focus on incorporating employee development, recognition, participation, and welfare into competitive-strategy implementation because the relationships between Value to Employees and all three competitive strategies, although statistically significant, were comparatively weak. Regularly reviewing and adjusting these indicators can help maintain alignment between stakeholder value creation and competitive positioning over time.

7. Create a sustainable business action plan for SMEs in Bicol that integrates Resource-Based View practices, competitive strategies, and value creation based on the identified strengths and areas for improvement of the participating SMEs. The plan may include strategies for sustaining effective resource management, Cost Leadership and Focus Strategies, and value creation for customers and owners, while strengthening technological resources, employee capability development, Differentiation Strategy, and value creation for employees. It should also provide needs-based and industry-responsive interventions that consider differences according to age, position, and industry or sector, together with appropriate monitoring and evaluation measures to assess implementation and guide continuous improvement.

## References

Abid, N., Dowling, M., Ceci, F., & Aftab, J. (2023). Does resource bricolage foster SMEs' competitive advantage and financial performance? A resource-based perspective. *Business Strategy and the Environment, 32*(8), 5833–5853. https://doi.org/10.1002/bse.3451

Abrias, M. I. C. (2024). Effects of training and development and compensation on employee engagement among flight attendants in a commercial airline in the Philippines. *International Journal of Research and Scientific Innovation, 11*(11), 470–481. https://doi.org/10.51244/IJRSI.2024.11110035

Achmad, F., & Wiratmadja, I. I. (2025). Organizational performance and competitive advantage in SMEs: The role of green innovation and knowledge management. *Journal of Open Innovation: Technology, Market, and Complexity, 11*(2), 100532. https://doi.org/10.1016/j.joitmc.2025.100532

Alakaş, E. Ö., & Öztürk, Z. (2026). How strategic communication links strategy implementation to organizational performance: Evidence from private hospitals. *Millenium - Journal of Education, Technologies, and Health*. https://doi.org/10.29352/mill0230.45416

Anwar, J., Butt, I., & Ahmad, N. (2025). SMEs' strategic orientation through Miles and Snow typology: A synthesis of literature and future directions. *Management Research Review, 48*(2), 258–286. https://doi.org/10.1108/MRR-12-2023-0914

Ardiantono, D. S., Nurkhofifah, A., Nasution, A. H., Sugihartanto, M. F., & Mustofa, M. U. A. (2024). Identifying indicators for implementing service operation management in small and medium-sized enterprises (SMEs): A systematic literature review. *International Journal of Academic Research in Business and Social Sciences, 14*(12), 1602–1615. https://doi.org/10.6007/IJARBSS/v14-i12/24115

Arianpoor, A., & Moghaddampoor, B. (2024). The impact of cost leadership strategy and differentiation strategy on supply chain management efficiency. *The International Journal of Logistics Management*. https://doi.org/10.1177/03063070241285145

Arkadan, F., Macdonald, E. K., & Wilson, H. N. (2024). Customer experience orientation: Conceptual model, propositions, and research directions. *Journal of the Academy of Marketing Science, 52*, 1560–1584. https://doi.org/10.1007/s11747-024-01031-y

Belas, J., Dvorsky, J., Hlawiczka, R., Smrcka, L., & Khan, K. A. (2024). SMEs' sustainability: The role of human resource management, corporate social responsibility, and financial management. *Oeconomia Copernicana, 15*(1), 307–342. https://doi.org/10.24136/oc.2937

Cenamor, J., Parida, V., & Wincent, J. (2023). How entrepreneurial SMEs leverage digital technologies to create and capture value in niche markets. *Journal of Business Research, 164*, 113893. https://doi.org/10.1016/j.jbusres.2023.113893

Eromafuru, G. E. (2025). Blue ocean strategy, firms' core competence, and the micro, small, and medium enterprises' obsession for industry competitiveness. *Future Business Journal, 11*, 271. https://doi.org/10.1186/s43093-025-00683-8

Expósito, A., Sanchis-Llopis, A., & Sanchis-Llopis, J. A. (2024). Entrepreneur's gender and SMEs' performance: The mediating effect of innovations. *Journal of the Knowledge Economy, 15*, 11877–11911. https://doi.org/10.1007/s13132-023-01555-8

Farida, I., & Setiawan, D. (2022). Business strategies and competitive advantage: The role of performance and innovation. *Journal of Open Innovation: Technology, Market, and Complexity, 8*(3), 163. https://doi.org/10.3390/joitmc8030163

Ferrón Vílchez, V., Senise Barrio, M. E., & Llamas Sánchez, R. (2024). The reciprocity of perceived organizational support and employee engagement in SMEs during the COVID-19 pandemic. *Small Business International Review, 8*(1), e611. https://doi.org/10.26784/sbir.v8i1.611

Fluhrer, P., & Brahm, T. (2023). Positioning in SMEs: Entrepreneurs' perceptions and strategies. *Journal of Research in Marketing and Entrepreneurship, 25*(3), 431–454. https://doi.org/10.1108/JRME-09-2021-0120

García Moreno, E. (2024). The differentiation of competitive strategy and its effects on performance. *Educational Administration: Theory and Practice, 30*(3), 3701–3706. https://doi.org/10.53555/kuey.v30i3.11550

Gelencsér, M., Kőmüves, Z. S., Hollósy-Vadász, G., & Szabó-Szentgróti, G. (2024). Modeling employee retention in small and medium-sized enterprises and large enterprises in a dynamically changing business environment. *International Journal of Organizational Analysis, 33*(5), 1006–1038. https://doi.org/10.1108/IJOA-09-2023-3961

Generalao, I. N. A. (2024). *Revamping enterprise-based training in the Philippines: Addressing barriers and disincentives to industry involvement* (Policy Note No. 2024-10). Philippine Institute for Development Studies. https://doi.org/10.62986/pn2024.10

Gutiérrez-Broncano, S., Linuesa-Langreo, J., Rubio-Andrés, M., & Sastre-Castillo, M. Á. (2024). Can hybrid strategy improve SME performance? The role of innovation and adaptive capacity. *European Journal of Innovation Management, 27*(9), 173–197. https://doi.org/10.1108/EJIM-07-2023-0566

Handoyo, S., Mulyani, S., Ghani, E. K., & Soedarsono, S. (2023). Firm characteristics, business environment, strategic orientation, and performance. *Administrative Sciences, 13*(3), 74. https://doi.org/10.3390/admsci13030074

Isichei, E. E., Isichei, M. O., & Moruku, R. K. (2024). Generic business strategies and competitiveness of SMEs in Nigeria. *Competitiveness Review: An International Business Journal, 35*(1), 158–174. https://doi.org/10.1108/CR-02-2024-0021

Kamboj, S., & Rahman, Z. (2024). Market orientation, customer relationship capabilities and SME performance: The role of market segmentation and customer value. *Journal of Business Research*. https://doi.org/10.1016/j.jbusres.2024.114861

Khattak, M. S. (2024). The role of managerial overconfidence in digital transformation and sustainable competitive performance in emerging SMEs: The role of digital culture. *Business Strategy & Development, 7*(3), e403. https://doi.org/10.1002/bsd2.403

Kim, J., & Trulaske, R. J. (2024). Building cooperative and high-performance organizations with high-performance work systems: The role of firm age and industry dynamism. *The International Journal of Human Resource Management, 35*(13), 2222–2258. https://doi.org/10.1080/09585192.2024.2330983

Komakech, R. A., Namugenyi, M. W., Namara, R. B., & Ombati, T. O. (2024). Influence of competitive strategies on the performance of small manufacturing enterprises in Kampala Metropolitan, Uganda. *Ugandan Journal of Management and Public Policy Studies, 25*(1), 24–41.

Lea, T.-H., & Khuong, M. N. (2025). Fostering SME's organizational effectiveness through strategic orientations, learning capability, and innovation. *Journal of Small Business Management, 63*(1), 249–278. https://doi.org/10.1080/00472778.2024.2312390

Madueke, C. J., & Eyupoglu, S. (2024). Sustaining economic growth: E-service quality's role in fostering customer loyalty in Nigerian SMEs. *Sustainability, 16*(21), 9175. https://doi.org/10.3390/su16219175

Momtaz, P. P., & Parra, I. M. (2025). Is sustainable entrepreneurship profitable? ESG disclosure and the financial performance of SMEs. *Small Business Economics, 64*, 1535–1564. https://doi.org/10.1007/s11187-024-00981-5

Navaia, E., Moreira, A., & Ribau, C. (2023). Differentiation strategy and export performance in emerging countries: Mediating effects of positional advantage among Mozambican firms. *Economies, 11*(2), 44. https://doi.org/10.3390/economies11020044

Ngatno, & Prihatini, A. E. (2024). Relationship between competitive strategy and firm performance: Moderated by environmental dynamism (ED) and competitive intensity (CI). *WSEAS Transactions on Business and Economics, 21*, 2756–2768. https://doi.org/10.37394/23207.2024.21.225

Ngo, L. V., & O'Cass, A. (2023). Customer participation and customization: Effects on customer value and satisfaction. *Journal of Retailing and Consumer Services*. https://doi.org/10.1016/j.jretconser.2023.103299

Otache, I. (2024). Entrepreneurial management, competitive advantage and SME performance: Evidence from an emerging economy. *European Business Review, 36*(6), 997–1014. https://doi.org/10.1108/EBR-11-2023-0359

Paulino, E., Boquila, L.-R., Basa, G. M., & Mazo, P. N. (2024). Human resource strategies, productivity and retention in Chinese small-medium enterprises: Insights for training programs. *Journal of Business and Management Studies, 6*(6). https://doi.org/10.32996/jbms.2024.6.6.13

Pramuki, N. M. W. A., & Kusumawati, N. P. A. (2024). Improving SMEs' marketing performance through market orientation, product innovation, and competitive advantage in Bali, Indonesia. *Jurnal Economia, 20*(2), 273–286. https://doi.org/10.21831/economia.v20i2.41159

Putri, A. A., Baskara, P. C. N., Baskara, I., & Baskara, U. K. (2024). Examining the impact of customer orientation and service quality on customer satisfaction: The mediating role of service quality. *EKOMA: Jurnal Ekonomi, Manajemen, Akuntansi, 4*(2), 3284–3292. https://doi.org/10.56799/ekoma.v4i2.6044

Rather, R. A., & Hollebeek, L. D. (2024). Customer engagement, value creation, and customer loyalty in service contexts. *Journal of Retailing and Consumer Services*. https://doi.org/10.1016/j.jretconser.2024.103789

Republic Act No. 6977, Magna Carta for Small Enterprises (1991). https://lawphil.net/statutes/repacts/ra1991/ra_6977_1991.html

Republic Act No. 8289, An Act to Strengthen the Promotion and Development of, and Assistance to Small and Medium Scale Enterprises, Amending for That Purpose Republic Act No. 6977, Otherwise Known as the "Magna Carta for Small Enterprises," and for Other Purposes (1997). https://lawphil.net/statutes/repacts/ra1997/ra_8289_1997.html

Republic Act No. 9501, Magna Carta for Micro, Small and Medium Enterprises (MSMEs) (2008). https://lawphil.net/statutes/repacts/ra2008/ra_9501_2008.html

Riviere, M., & Upson, J. W. (2025). Orientation and action: SME responses to customers and competitors in an international competitive business context. *The International Journal of Entrepreneurship and Innovation, 26*(4). https://doi.org/10.1177/14657503231156875

Rubio-Andrés, M., Linuesa-Langreo, J., Gutiérrez-Broncano, S., & Sastre-Castillo, M. Á. (2024). How to improve market performance through competitive strategy and innovation in entrepreneurial SMEs. *International Entrepreneurship and Management Journal, 20*, 1677–1706. https://doi.org/10.1007/s11365-024-00947-9

Saeedikiya, M., Salunke, S., & Kowalkiewicz, M. (2024). Toward a dynamic capability perspective of digital transformation in SMEs: A study of the mobility sector. *Journal of Cleaner Production, 434*, 140718. https://doi.org/10.1016/j.jclepro.2024.140718

Sagala, G. H., & Őri, D. (2024). Toward SMEs' digital transformation success: A systematic literature review. *Information Systems and e-Business Management, 22*, 667–719. https://doi.org/10.1007/s10257-024-00682-2

Saputra, M. H., Utomo, M. N., Ariansyah, K., Wismayanti, Y. F., Ansyah, R. H. A., Koeswinarno, & Suradi. (2024). Small and medium-sized enterprises' dynamic capabilities and competitive advantage: The mediating effect of digitalization. *Entrepreneurial Business and Economics Review, 12*(3), 41–67. https://doi.org/10.15678/EBER.2024.120303

Sari, R. K., Alfarizi, M., & Talib, M. S. A. (2024). Sustainable strategic planning and management influence on sustainable performance: Findings from halal culinary MSMEs in Southeast Asia. *Journal of Modeling in Management, 19*(6), 2034–2060. https://doi.org/10.1108/JM2-12-2023-0324

Sudarnice, S., Titing, A. S., Supiani, S., & Juniarti, T. (2024). Gender role in MSME performance through entrepreneurial behavior and ease of access to capital. *Jurnal Bisnis dan Manajemen, 11*(1), 1–10. https://doi.org/10.26905/jbm.v11i1.12388

Sutrisno, S., Diawati, P., Muhamad, L. F., Permana, R. M., & Suparwata, D. O. (2024). Innovative strategies of SMEs in alignment with community needs. *Jurnal Terobosan Peduli Masyarakat (TIRAKAT), 1*(1), 30–38. https://doi.org/10.61100/j.tirakat.v1i1.103

Vrontis, D., Belas, J., Thrassou, A., Santoro, G., & Christofi, M. (2023). Strategic agility, openness and performance: A mixed-methods comparative analysis of firms operating in developed and emerging markets. *Review of Managerial Science, 17*, 1365–1398. https://doi.org/10.1007/s11846-022-00562-4

Wen, K., Alessa, N., Marah, K., Kyeremeh, K., Ansah, E. S., & Tawiah, V. (2023). The impact of corporate governance and international orientation on firm performance in SMEs: Evidence from a developing country. *Sustainability, 15*(6), 5576. https://doi.org/10.3390/su15065576

Wicaksari, P., Saputra, A. R. P., & Rahmah, A. N. (2024). The influence of green quality of work life, green employee engagement, and green rewards on green employee retention in SME employees. *Small Business International Review, 8*(1). https://doi.org/10.26784/sbir.v8i1.627

Yap, V. G. S., & Fabroa, T. R. T. (2025). The effect of digital technology on micro, small, and medium enterprises' business performance. *Journal of Economics, Management and Trade, 31*(9), 14–21. https://doi.org/10.9734/jemt/2025/v31i91347

Yuwono, T., Suroso, A., & Novandari, W. (2024). Information and communication technology in SMEs: A systematic literature review. *Journal of Innovation and Entrepreneurship, 13*, 31. https://doi.org/10.1186/s13731-024-00392-6

Zahoor, N., Khan, H., Donbesuur, F., Khan, Z., & Rajwani, T. (2024). Grand challenges and emerging market small and medium enterprises: The role of strategic agility and gender diversity. *Journal of Product Innovation Management, 41*(2), 473–500. https://doi.org/10.1111/jpim.12661