

# Catalyzing Economic Growth: Entrepreneurial Strategies of Msmes in Marinduque Province

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## ABSTRACT

This study examined the entrepreneurial strategies of micro, small, and medium enterprises (MSMEs) in Marinduque Province and their implications for local economic growth. A descriptive survey design using a quantitative approach was employed. Data were collected from 259 owner-managers of registered and operational MSMEs across the six municipalities of Marinduque through a self-constructed questionnaire adapted from government and research-based instruments. Frequency, percentage, weighted mean, standard deviation, and Kruskal-Wallis test were used in the analysis. Results showed that most owner-managers were 41 to 50 years old, female, married, and college-degree holders. Most enterprises were micro-sized, had operated for less than five years, employed fewer than six workers, operated at the barangay or municipal

level, were engaged in food supplies or retailing, and had start-up capital not exceeding PHP 3 million. MSMEs often applied entrepreneurial practices across product, pricing, place, and promotion dimensions, with product alteration, going-rate and competitive pricing, intensive distribution, public relations, and personal selling emerging as key practices. Technology was identified as the strongest impediment to entrepreneurial practice, followed by marketing, information access, enterprise characteristics, and social networks. Kruskal-Wallis results showed a significant difference only in pricing strategies across enterprise classes,  $p = .001$ . The study concludes that MSMEs in Marinduque are active local economic actors but require stronger technology access, market support, and government-assisted upgrading programs. Revitalizing and localizing the DOST Small Enterprise Technology Upgrading Program is recommended.

**Keywords:** *entrepreneurial strategies, marketing mix, Marinduque, microenterprises, MSMEs, technology upgrading*

## INTRODUCTION

Micro, small, and medium enterprises are important drivers of employment generation, innovation, income creation, and local economic development. In the Philippines, MSMEs are recognized as the backbone of the economy and are supported through policy frameworks such as Republic Act No. 9501, or the Magna Carta for Micro, Small and Medium Enterprises. The law emphasizes the promotion, strengthening, and development of MSMEs across economic sectors, especially in rural and agriculture-based communities.

In Marinduque Province, MSMEs operate within a rural island economy where market reach, capital access, technology use, logistics, and government support affect business sustainability. Many enterprises serve local communities through retail, food supplies, transportation, tourism, services, and small-scale production. Although these enterprises are generally small in capital and workforce, their collective contribution to livelihood and local commerce makes them essential to countryside economic growth.

Entrepreneurial strategy in this study is viewed through the marketing mix framework, particularly product, price, place, and promotion. These dimensions help explain how MSMEs develop or alter products, set

prices, distribute goods and services, and communicate value to customers. However, strategy implementation is influenced by technology access, marketing capability, information availability, social networks, capital, business planning, and government support.

Despite the importance of MSMEs, rural enterprise data remain limited. There is a need to examine how MSMEs in Marinduque actually apply entrepreneurial practices and what barriers constrain them. This study therefore assessed the business profiles of MSMEs, the extent to which entrepreneurial practices are applied, the factors that impede application, differences across enterprise size, and possible interventions to support sustainable local enterprise growth.

## Literature Review

### *MSMEs and Rural Economic Growth*

MSMEs contribute to economic growth by creating jobs, widening livelihood opportunities, supporting local production, and improving community access to goods and services. In the Philippines, national data cited in the source manuscript showed that MSMEs constitute the overwhelming majority of business establishments, with microenterprises forming the largest share. This pattern is also reflected in rural provinces where small-scale enterprises dominate local markets.

Rural MSMEs are often concentrated in retailing, wholesaling, food services, accommodations, and small-scale production. These sectors are accessible to local entrepreneurs because they require relatively modest capital and directly respond to everyday community needs. However, rural enterprises may grow more slowly than urban enterprises because they face limited market reach, weaker supply chains, lower access to technology, and fewer specialized support services.

In Marinduque, MSMEs are important because they help absorb unemployed workers, support household income, and sustain barangay- and municipality-level commerce. Their growth can catalyze local economic development when supported by technology upgrading, business training, market access, and responsive government programs.

### *Marketing Mix as Entrepreneurial Strategy*

The marketing mix provides a practical framework for studying entrepreneurial strategy. Product refers to the goods, services, or service-goods combinations offered by the business. Price refers to how enterprises set and adjust charges for goods and services. Place refers to distribution and accessibility, while promotion refers to communication strategies that create awareness, build relationships, and encourage purchases.

For MSMEs, the marketing mix is not merely a technical marketing concept. It reflects daily business decisions such as altering products, adopting competitive prices, choosing barangay or municipal distribution channels, using personal selling, and maintaining public relations. These practices shape how enterprises respond to customers and compete with other businesses.

The source study operationalized entrepreneurial strategies through the 4Ps because they are recognizable and applicable among local entrepreneurs. This structure allowed the study to evaluate whether MSMEs frequently practiced product innovation, pricing strategies, distribution methods, and promotional activities.

### *Factors Affecting Entrepreneurial Practices*

Entrepreneurial practices are shaped by both internal and external conditions. Internal factors include the characteristics of the entrepreneur, enterprise attributes, marketing capability, readiness for entrepreneurship, social networks, business planning, and access to information. External factors include capital access, government support, policy changes, market conditions, and technology availability.

Technology is particularly important for MSMEs because it can improve production efficiency, inventory control, marketing reach, recordkeeping, and customer communication. However, rural enterprises may have limited access to digital tools, equipment upgrading, internet connectivity, technical training, and financing for technology adoption.

Government programs such as the Department of Science and Technology's Small Enterprise Technology Upgrading Program can help close technology gaps when properly localized. For Marinduque MSMEs, technology upgrading must be aligned with enterprise size, sector, available capital, and the actual needs of barangay- and municipality-level businesses.

## **METHODS**

### **Research Design**

The study employed a descriptive survey design using a quantitative research approach. This design was appropriate because the study described the profile of MSMEs, assessed the extent of entrepreneurial practices, identified factors impeding the application of these practices, and tested differences across micro, small, and medium enterprise classes.

### **Research Locale**

The study was conducted in Marinduque Province, Philippines. The research covered the six municipalities of Boac, Gasan, Buenavista, Santa Cruz, Torrijos, and Mogpog. The province was selected because of the limited available research on the current conditions and marketing practices of local enterprises and because the locale was accessible for data collection.

### **Participants and Sampling Technique**

The participants were 259 owner-managers or proprietors of registered and operational MSMEs in Marinduque. Participants were at least 18 years old and were actively managing their enterprises. Non-operational enterprises and those that had ceased operations during the study period were excluded. Convenience sampling was employed because respondents were selected based on availability, accessibility, and willingness to participate. The sample size was derived from the Department of Trade and Industry's record of 8,124 registered MSMEs from 2016 to 2021 using Slovin's formula.

### **Research Instrument**

A self-constructed survey questionnaire was used. The instrument was adapted and modified from evaluation tools used by the Department of Trade and Industry and relevant research studies. It gathered data on entrepreneur characteristics, enterprise characteristics, entrepreneurial practices based on the 4Ps marketing mix, and factors impeding the application of entrepreneurial practices. Entrepreneurial practices were rated using a five-point scale from Never Practiced to Always Practiced, while impediments were rated from Insignificant to Significant Impediment.

### **Data Gathering Procedure**

Permission was secured from local government units in Marinduque before data collection. The questionnaires were distributed to qualified owner-managers, and written consent explained the purpose, procedures, confidentiality measures, and voluntary nature of participation. Respondents were given approximately 20 to 30 minutes to complete the questionnaire. The researcher provided clarification when necessary but did not influence responses.

### **Data Analysis**

Frequency and percentage were used to describe the demographic and enterprise profiles. Weighted mean and standard deviation were used to determine the extent of entrepreneurial practices and factors impeding their application. Kruskal-Wallis test was used to determine whether significant differences existed in entrepreneurial practices among micro, small, and medium enterprises. The level of significance was set at .05.

### **Ethical Consideration**

The study observed informed consent, voluntary participation, confidentiality, and responsible data handling. Respondents were informed of the study objectives and their right to refuse participation. The results

were reported in aggregate form. The final journal submission should include the confirmed institutional ethics-review or approval reference number, if required by the journal.

## RESULTS AND DISCUSSION

### Profile of MSMEs in Marinduque

The profile results showed that most owner-managers were 41 to 50 years old (31.7%), female (70.3%), married (75.3%), and college-degree holders (51.0%). Most enterprises had operated for less than five years (43.2%), employed fewer than six workers (62.9%), were engaged in food supplies (52.1%), operated at the barangay level (48.6%) or municipal level (47.1%), were classified as retailers (57.5%), and had start-up capital not exceeding PHP 3 million (87.3%). These findings indicate that Marinduque MSMEs were largely micro, locally focused, women-led, retail-oriented, and modestly capitalized.

Table 1. *Summary Profile of MSMEs in Marinduque*

Profile area	Leading category	Frequency	Percentage	Interpretation
Age group	41-50 years old	82	31.7%	Middle-aged owner-managers were most common.
Gender	Female	182	70.3%	Women dominated MSME ownership/management.
Marital status	Married	195	75.3%	Most owner-managers had family responsibilities.
Educational attainment	College degree	132	51.0%	Most had tertiary education.
Length of operation	Less than 5 years	112	43.2%	Many enterprises were relatively young.
Number of employees	Less than 6 employees	163	62.9%	Most were micro in workforce size.
Line of business	Food supplies	135	52.1%	Food-related businesses dominated.
Territorial scope	Barangay	126	48.6%	Most had very localized market reach.
Industrial classification	Retailer	149	57.5%	Retailing was the dominant classification.
Start-up capital	Not more than PHP 3 million	226	87.3%	Most had microenterprise-level capitalization.

### Extent of Entrepreneurial Practices

The MSMEs often practiced entrepreneurial strategies across the four marketing-mix dimensions. Promotion obtained the highest overall mean ( $M = 3.30$ ), followed by pricing ( $M = 3.17$ ), product strategies ( $M = 3.03$ ), pricing aspects ( $M = 3.04$ ), and place or distribution ( $M = 2.93$ ). Product alteration, going-rate pricing, competitive pricing, intensive distribution, public relations, and personal selling emerged as key practices. These results show that MSMEs applied practical strategies suited to local markets rather than highly formalized or advanced marketing systems.

Table 2. *Summary of Entrepreneurial Practices by Marketing-Mix Dimension*

Dimension	Micro mean	Small mean	Medium mean	Total mean	Interpretation	Key practiced strategy
Product	3.02	2.90	3.16	3.03	Often	Alteration or changes in existing products/services
Pricing strategies	3.20	3.04	3.26	3.17	Often	Going-rate and competitive pricing

Pricing aspects	3.07	2.70	3.33	3.04	Often	Cash/early payment discounts and volume discounts
Place/distribution	2.81	2.65	3.33	2.93	Often	Intensive distribution
Promotion	3.26	3.16	3.50	3.30	Often	Public relations and personal selling

The product results suggest that local enterprises frequently adjusted or improved existing products instead of developing entirely new ones. This pattern is consistent with the small-scale and resource-limited nature of many MSMEs. Pricing practices showed reliance on going-rate and competitive pricing, indicating that MSMEs used local market prices as reference points. Distribution was largely intensive, which fits enterprises serving barangay and municipal markets. Promotion relied more on public relations and personal selling than on advanced promotional programs, showing the importance of personal networks and direct customer interaction in rural enterprise activity.

### Factors Impeding the Application of Entrepreneurial Practices

Technology was the strongest impediment to entrepreneurial practice, with a total mean of 3.79, interpreted as a major impediment. It was followed by marketing ( $M = 3.69$ ), information access ( $M = 3.68$ ), enterprise characteristics ( $M = 3.66$ ), social network ( $M = 3.64$ ), entrepreneurial readiness and sudden changes in government policies (both  $M = 3.62$ ), government support ( $M = 3.60$ ), capital access ( $M = 3.53$ ), business plan ( $M = 3.51$ ), and entrepreneur characteristics ( $M = 3.23$ ). Overall, factors affecting entrepreneurial practices obtained a grand mean of 3.59, interpreted as a major impediment.

Table 3. *Factors Impeding Entrepreneurial Practices of MSMEs*

Impediment	Micro mean	Small mean	Medium mean	Total mean	Interpretation
Technology	3.63	3.54	4.20	3.79	Major impediment
Marketing	3.46	3.51	4.10	3.69	Major impediment
Information access	3.49	3.34	4.20	3.68	Major impediment
Characteristics of the SMEs	3.51	3.37	4.10	3.66	Major impediment
Social network	3.53	3.29	4.10	3.64	Major impediment
Sudden changes in government policies	3.28	3.49	4.10	3.62	Major impediment
Entrepreneurial readiness	3.43	3.34	4.10	3.62	Major impediment
Government support	3.51	3.29	4.00	3.60	Major impediment
Capital access	3.51	3.29	3.80	3.53	Major impediment
Business plan	3.25	3.29	4.00	3.51	Major impediment
Characteristics of the entrepreneur	2.37	3.31	4.00	3.23	Moderate impediment

The results indicate that technology is the most urgent concern for MSMEs in Marinduque. Limited access to equipment, digital systems, mechanization, internet-related tools, and technical assistance can restrict product improvement, promotion, inventory management, and market expansion. The results also show that marketing and information access remain major constraints, suggesting that many enterprises need support in market analysis, customer communication, digital promotion, and business planning.

### Differences in Entrepreneurial Practices Across Enterprise Classes

Kruskal-Wallis results showed that only pricing strategies significantly differed across micro, small, and medium enterprises,  $H = 15.06$ ,  $p = .001$ . Product practices, place or distribution strategies, and promotional strategies did not significantly differ across enterprise classes. The hypothesis was rejected only for pricing and retained for the other dimensions.

Table 4. *Kruskal-Wallis Test on Entrepreneurial Practices Across Enterprise Classes*

Practice area	Micro mean	Small mean	Medium mean	H statistic	p-value	Decision
Product	3.02	2.90	2.16	2.22	.330	Not significant
Price	3.12	2.89	3.34	15.06	.001	Significant
Place	2.81	2.65	3.33	5.60	.061	Not significant
Promotion	3.26	3.16	3.50	.56	.755	Not significant

The significant pricing difference suggests that enterprise size influences how owners set and adjust prices. Medium enterprises may have wider market reach, greater capital, and more flexibility to apply structured pricing strategies. In contrast, micro and small enterprises may rely more heavily on immediate market conditions, customer affordability, and competitor prices. The non-significant results for product, place, and promotion imply that similar practical strategies are used across enterprise classes in the rural market context.

### **Proposed DOST-SETUP-Based MSME Technology and Marketing Support Plan**

Because technology emerged as the strongest impediment, the study recommends revitalizing and localizing the Department of Science and Technology's Small Enterprise Technology Upgrading Program for Marinduque MSMEs. The intervention should be coordinated with DTI, local government units, and MSME organizations to address technology, marketing, information, and business-planning gaps.

Table 5. *Proposed MSME Technology and Marketing Support Plan*

Program component	Basis from findings	Suggested actions	Expected outcome
Technology needs assessment	Technology was the highest impediment, M = 3.79	Conduct barangay- and municipality-level technology audits to identify equipment, internet, mechanization, and digitalization needs.	Clearer targeting of DOST-SETUP and related support.
DOST-SETUP localization	MSMEs need technology upgrading suited to local sectors	Prioritize food supply, retail, service, tourism, and logistics enterprises for equipment upgrading and process improvement.	Improved productivity and service efficiency.
Digital marketing assistance	Marketing and information access were major impediments	Train MSMEs on social media marketing, customer profiling, basic branding, and online promotion.	Stronger customer reach and market visibility.
Pricing and financial coaching	Pricing differed significantly across enterprise classes	Provide workshops on cost-plus, value-based, competitive, and discount pricing, with simple financial records.	More strategic and sustainable pricing decisions.
Business planning support	Business planning was a major impediment	Assist MSMEs in preparing simple business plans, market plans, and growth roadmaps.	Better preparedness for expansion and funding applications.
Government coordination	Government support and policy changes affected MSMEs	Create a provincial MSME help desk linking DTI, DOST, LGUs, financing groups, and training providers.	More accessible and coordinated enterprise support.

## **CONCLUSION**

The study concludes that MSMEs in Marinduque Province are active contributors to local economic activity, employment, and rural commerce. Most enterprises are micro-sized, locally focused, retail-oriented, women-managed, and modestly capitalized. Their business profile indicates a strong grassroots enterprise base that supports barangay and municipal economies but may require structured support to grow beyond survival and local trading.

MSMEs often applied entrepreneurial practices across product, pricing, place, and promotion dimensions. They commonly altered existing products, used going-rate and competitive pricing, relied on intensive

distribution, and used public relations and personal selling. These practices reflect the practical and relationship-based nature of local enterprise operations in Marinduque.

Technology was the most serious barrier to entrepreneurial practice, followed by marketing, information access, enterprise characteristics, social networks, and other institutional and business-related concerns. The significant difference in pricing strategies across enterprise classes further indicates that business size affects how enterprises manage pricing decisions. Overall, strengthening MSME growth in Marinduque requires technology upgrading, market support, coordinated government assistance, and practical enterprise-development interventions.

### Recommendation

The Department of Science and Technology, Department of Trade and Industry, provincial government, municipal governments, and local MSME councils should collaborate to revitalize and localize DOST-SETUP in Marinduque. The program should begin with a technology needs assessment and should prioritize sectors that dominate the local economy, particularly food supplies, retailing, services, transportation, tourism, and small-scale production.

MSME owner-managers should actively seek technical consultancy, training, and enterprise-upgrading support from DOST, DTI, local government units, and related agencies. Particular attention should be given to technology adoption, digital marketing, inventory systems, product improvement, and pricing decisions. Local training programs should also help entrepreneurs improve business planning, market analysis, and financial recordkeeping.

The provincial government of Marinduque may establish a coordinated MSME support desk that provides information on funding, training, permits, technology support, and available government programs. Future researchers may examine the direct effect of entrepreneurial practices on MSME performance, profitability, employment generation, and business sustainability. Similar studies may also be conducted in other rural provinces to compare enterprise conditions and local development needs.

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