

# Promotional Strategies, Selling Competencies, and Financial Management of Micro, Small And Medium Enterprises: Basis for Sales Performance Framework

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Virginia M. Robledo, PhDM

Doctor of Philosophy in Management

Lyceum of the Philippines University – Batangas

vrobledo@smypc.sanmiguel.com.ph

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*Abstract: This study aimed to determine the effect of promotional strategies, selling competencies, and financial management on the sales performance of Micro, Small and Medium Enterprises included in DTI's One Town One Product (OTOP) program in Region 4A, which will serve as the basis for the sales performance improvement framework.. 388 MSMEs were given survey questionnaire sent via email, google forms and manual distribution wherein which, 306 responded. Gathered data were evaluated using a quantitative-descriptive method. "Frequency distribution", "Weighted mean", "Pearson-Product Moment Correlation", "Regression Analysis", and "Analysis of Variance (ANOVA)" were all used in the data analysis. Findings revealed that promotional strategies, selling competencies, and financial management have positive significant effects on the sales performance of OTOP assisted MSMEs in Region 4A. Further, there are significant differences in the effect of promotional strategies, selling competencies and financial management on sales performance considering business profile. A modest link exists between the effect of promotional strategies and MSMEs' selling competencies, between promotional strategies and financial management and between selling competencies and financial management on sales performance. Finally, the researcher advised the development and implementation of a comprehensive workshop focusing on the synergy of promotional strategies, selling competencies, and financial management to increase sales performance.*

**Keywords** – financial management, promotional strategies, selling competencies

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## INTRODUCTION

Business success is determined by elements such as a well-thought-out strategy, high-quality products or services, and efficient operations. However, making these things work in different situations like crisis and pandemic depends largely on the people in the organization.

COVID-19 brought the world to a halt in March of 2020. It is the hidden, deadly culprit that is killing people

and dragging the world economy to its knees. To uplift the economic situation in this crisis, the government gave permits to operate to the small and big entrepreneurs. However, approximately half of the businesses that were closed during the lockdowns were unable to successfully continue and sustain their operations during the ECQ due to a variety of obstacles. About half of the enterprises that were able to operate saw a forty (40) percent drop in operating hours,

resulting in a fifty (50) percent reduction in employment and a sixty (60) percent reduction in revenue and output volume [1]. In this crisis, Micro Small and Medium Enterprises (MSME) continued to suffer from disrupted cash flow and continuing expenses, which led to income losses.

As a result, in order to overcome the problems of the times, small and large businesses put out maximum effort in increasing sales performance, because continual sales growth is the only way to survive in the market. To achieve this, a company may introduce new products, promote them through enticing marketing campaigns, offer discounts, and make payment options easier [2]. Accordingly, since no business will survive long-term without significant sales, every business owner spends an enormous amount of time trying to figure out ways to improve sales numbers. One of the most common methods is instituting a sales promotion wherein promotion activities induced average customers to consume the company's products and services on the market thus increasing the average consumption rate and the sales revenue [3]. Further, sales promotion and marketing efforts are always linked with the company's sales revenue and profitability. [4].

Entrepreneur's experience has the greatest impact on venture growth. Acknowledging this fact strongly suggests the importance of developing training programs, through which it would be possible to obtain experience in all aspects of company management (technical, commercial, strategic) [5]. Specific competencies of people like selling-related knowledge, degree of adaptiveness, role ambiguity, cognitive aptitude, and work engagement demonstrated significant effects on sales performance. [6]. Hence therefore, firms must consider and focus on the required training of their personnel. Doing this can assist organizations in building a more committed and productive force that can lead the growth of the firms [7]. Also, sales related knowledge and work engagement are proven to be important factors to create a positive sales performance[8].

Financial management skills and performance are the two of the most often-cited explanations for the failure of MSMEs [9]. This is a clear manifestation that the level of financial management competence greatly influence the performance of the company [10], MSMEs should improve their financial management practices that will help them make short-ranged and urgent business decisions and comprehend books that can fully explain the company's profit or a loss situation.

In 2018, MSMEs accounted for ninety- nine and a half (99.5) percent of all businesses in the country, providing thirty-six (36) percent of total value added and employing sixty-three (63) percent of the workforce. Unfortunately, these small and medium-sized businesses (MSMEs) have the highest risk of economic crisis, as exemplified by this COVID-19 pandemic. Understanding this plight, the Department of Trade and Industry (DTI) has launched MSME (Micro, Small and Medium Enterprises) developmental programs that will help improve the sales performances of MSMEs which include promoting a business enabling environment, enhancing access to finance, enhancing access to markets and improving productivity and efficiency [12].

Similarly, many corporations who appreciate the necessity of contributing to nation-building have stressed to their staff the importance of assisting the Filipino entrepreneurs and contributing to the Philippine economy. This belief of alleviating the cause of MSMEs and boosting the economy led to the partnership of our company with DTI. The journey of fulfilling this mandate provided firsthand insight and realization of these entrepreneurs' plight, paving the way for the conception of this study. It was assumed that in order to have a major impact, the assistance must focus on the aspects that truly support sales performance.

In reference to the aforementioned literatures, promotional mix strategies, selling competencies, and financial management positively influence the sales performance of businesses, thus, determining the effect of these variables on MSMEs will be a good reference for the improvement of MSMEs in Region 4a and all MSMEs in the Philippines. Further, the outcome of the study will be a vital material for the company's CSR programs. San Miguel Corporation strongly supports MSMEs not only because it makes good business sense or a good company image, but because it believes in the capability of Filipino entrepreneurs, whether small or big, to survive, thrive and build a stronger nation. With this, implemented company programs for MSMEs must be targeted and designed to be sustainable.

#### **OBJECTIVES OF THE STUDY**

This study aimed to determine the effect of promotional strategies, selling competencies, and financial management on the sales performance of Micro, Small and Medium Enterprises included in DTI's One Town One Product (OTOP) program in

Region 4A, which will serve as the basis for the sales performance improvement framework

More specifically, the study sought to assess the effect of promotional strategies used by DTI and MSMEs such as advertising, publicity, direct marketing and sales promotion; determine the contribution of MSMEs selling competencies related to the field of prospecting, competitor awareness, achievement and motivation and product expertise; evaluate the effect of financial management implemented by MSMEs in the area of financial recording, financial budgeting, inventory management, and financial planning; test the significant differences of promotional strategies, selling competencies and financial management when grouped according to firmographic profile variable; test the significant relationship among promotional strategies, selling competencies, and financial management capability; and, provide a framework for continuous improvement on the sales performance of DTI-OTOP assisted MSME's.

## **MATERIALS AND METHODS**

### **Research Design**

To be able to collect the needed information, this study applied a quantitative-descriptive method to assess the contribution of promotional strategies, financial management, and selling skills to the sales performance of MSMEs. The quantitative method determined the relationship between and among the identified variables while the descriptive method established the associations and causality between variables. As defined by Malagón-Amor et al. [13] and Atmowardoyo [14], the descriptive method involves collecting data to answer questions concerning the status of the object of a study. This has been tested to have the capability to provide essential knowledge about the nature of the subject.

### **Participants of the Study**

The study's participants were proprietors of micro, small, and medium firms that are duly registered in region 4A. Gifts, housewares and décor/holiday décor, fashion wearables, corporate giveaways, furniture and furnishing, specialty cuisine/heirloom food, health and wellness items, and packaging materials are their offerings.

Categorically, they are all OTOP (One Town, One Product) program assisted MSMEs who have engaged in various DTI promotions, such as local or international shows, trade fairs, and seminars/training programs.

Based on DTI's 2021 record of the total OTOP population of 388 assisted MSMEs, a minimum sample size of 246 yielded a 99% confidence level and a 5% margin of error according to Raosoft's sample size calculator. One hundred percent (100%) of the respondents were given questionnaires either electronically or manually, which were collected via the same process. The 306 MSMEs who responded were selected at random and were properly distributed using stratified proportional allocation. Based on the population, the total sample size of 306 has an effect size of 0.23, a power probability of 0.95 and an alpha level of 0.05 using G\*Power 3.1.9.

Table 1 presents the distribution of the MSMEs' business profiles. As to business location, most of them are in Rizal which obtained a frequency of 74 or 24.20 percent; The least was observed by Laguna with 50 or 16.30 percent. The high overall responses (78.9%) in the survey showed the trust of all the respondents in DTI who endorsed the study and the understanding of the respondents in the importance of the topic.

As to the distribution of business classification, the majority belongs to micro with 252 or 82.40 percent, while the least was classified as medium. According to the Philippine National Statistics Authority (DTI, 2019 MSME Statistics, 2019), the country's total number of reported business firms is more than one million (1,000,506). MSMEs account for 99.5 percent while large businesses are only at 0.5 percent. MSMEs are made up of 89.0 percent micro enterprises, 10.0 percent small businesses, and 0.5 percent medium businesses. Correlating this data to region 4A's OTOP beneficiaries, it is not surprising that 82.4% micro entrepreneurs had participated in the study. Further, The OTOP program is designed to capacitate the 'OTOPpreneurs to innovate and produce market-ready products and services, hence majority of the beneficiaries are startup micro-enterprises.

On a similar note, it was observed that most of the number of years assisted by DTI's OTOP was 1 to 3 years with a frequency of 164 or 53.60 percent. Though OTOP had started more than 11 years ago, an OTOP reboot, or launch was made by DTI in 2017 to allow communities to have more than one OTOP offering, attracted more MSMEs and has transitioned to being more market-oriented and innovation-driven. This reboot 3 years ago, proved to have attracted more entrepreneurs as evidenced by a high frequency of 1-3 years OTOP beneficiaries.

**Table 1. Percentage Distribution of the Business Profile**

<b>Business Location</b>	<b>Frequency</b>	<b>Percentage %</b>
Cavite	73	23.90
Laguna	50	16.30
Batangas	53	17.30
Rizal	74	24.20
Quezon	56	18.30
<b>Business Classification</b>		
Micro (Up to P3,000,000 1 - 9 employees)	252	82.40
Small (P3,000,001 - P15,000,000 10 - 99 employees)	42	13.70
Medium (P15,000,001 - P100,000,000 100 - 199 employees)	12	3.90
<b>Number of Years assisted by DTI's OTOP</b>		
less than a year	21	6.90
1 to 3 years	164	53.60
4 to 6 years	83	27.10
7 to 10 years	30	9.80
11 years and more	8	2.60
<b>OTOP Product Category</b>		
Gifts, houseware and décor/ holiday décor	5	1.60
Fashion wearables	10	3.30
Corporate Give-aways	1	.30
Furniture and furnishings	22	7.20
Specialty food/heirloom food	139	45.40
Health and wellness products	22	7.20
Packaging materials e.g. gift boxes, baskets, ribbons, straws	5	1.60
Gifts, houseware and décor/ holiday décor and others	27	8.80
Fashion wearables and others	3	1.00
Specialty food/heirloom food and others	1	.30
Health and wellness products and others	23	7.50
Packaging materials e.g. gift boxes, baskets, ribbons, straws	1	.30
Others	47	15.40
<b>Target Audience</b>		
Consumers	31	10.10
Retailers	3	1.00
Wholesalers	41	13.40
Consumers and Retailers	10	3.30
Retailers, wholesalers	40	13.10
Consumer wholesaler	11	3.60
Consumers, retailers, Wholesalers	109	35.60
Consumers, retailers, Wholesalers, others	48	15.70
Others	13	4.20

With regards to the OTOP product category, most are on specialty food/heirloom food which obtained the highest frequency of 139 or 45.40 percent. CALABARZON is a cradle of history which proudly nurtured some of the country's heirloom cuisine. Coconut, a staple in the region is one of the most used ingredients in CALABARZON's popular delicacies like the classic buko

pie and tart, espasol, lambanog, vinegar, virgin coconut oil and many more.

However, the last category was observed on corporate giveaways and specialty food/heirloom food and others and packaging materials like gift boxes, baskets, ribbons, straws, and others which obtained a percentage of 0.30. Unlike the food products of the region, the corporate

giveaways and packaging materials are new and growing businesses. According to Campos et al. [17], the business of corporate giveaways trade fair is in its growth phase and aims to be one of the top events in the country as well as a reliable destination for corporate gifts and gift seekers.

Consumers, retailers, and wholesalers were the most preferred target audience which obtained a frequency of 109 or 35.60 percent. MSMEs want direct buyers of their products because the intermediation of middlemen who exercise substantial control on pricing affects their bottom line as any increase in price does not translate into a real gain for the producers. According to Kumar [17], every customer, whether individual, retailer or wholesaler is a priority because their ability to get new customers is often limited due to their size and resources. Only 1% belongs to the retailers, meaning, they are not the preferred customers of MSMEs because retailers are the middleman between wholesalers and customers. Retailers cannibalize on the wholesaler's core business [18].

### **Instruments**

The survey used modified questionnaire which is divided into four parts. The first part focused on the firmographic profile and the remaining parts dealt on the main variables of the study like Promotional Strategies, Selling competencies and Financial Management on the Sales Performance. The questionnaire included a perceptual measure using a four-point Likert scale. Each scale item was anchored at the numeral 1 to 4; 1= "strongly disagree"/failed to meet 100% of the expectation of the respondent; 2= "disagree"/did not meet many of the expectations of the respondents; 3="agree"/conformed with the expectation of respondent; and, 4="strongly agree"/exceeded expectation of respondent with holistic interpretation of high effect, moderate effect, low effect and no effect.

Reliability test was conducted on the survey questionnaire using OTOP MSMEs located in the Bulacan area as respondents. To measure the effects of promotional strategies, the researcher used validated questionnaires, taken from Maina and Afande [19]. It is a four-factor model consisting of Advertising with Cronbach alpha of 0.862 ("Good"), Publicity with Cronbach alpha of 0.772 ("Acceptable"), Direct Marketing with Cronbach alpha 0.900 ("Excellent") and Sales Promotion with Cronbach alpha of 0.914 ("Excellent")

The instrument used in measuring the selling skills was adapted from the studies of Rentz et al. [20] and Rodrigues and Martins (2013). Like the promotional strategies, this is also a four-factor model consisting of prospecting with Cronbach alpha of 0.953, Competitor awareness with Cronbach alpha of 0.945, Achievement and

Motivation with Cronbach alpha 0.927 and Product expertise with Cronbach alpha of 0.990

Likewise, the research also made use of another instrument on financial management practices of MSMEs taken from the study of Anooos, et al. [21]. This is a four-factor model consisting of financial recording (0.926), Financial Budgeting (0.923), Inventory Management (0.940) and Financial Planning (0.945). Overall, the instruments used passed the validation and reliability testing.

### **Procedure**

The researcher used published thesis, books, articles, and journals as sources in gathering and collecting data or information. In addition, an informal interview with DTI Region 4A Regional Director, Assistant Regional Director and Marketing staff was performed to establish and align with the promotional mix being run for OTOP and get acquainted with the MSME profiles and OTOP program. Further, the different firmographic profiles of the MSME companies in terms of location, business classification, number of years assisted by DTI-OTOP, product line category, and target customers were included in the study for a more accurate interpretation of the results, precise conclusion, and in-depth recommendations.

After approval of the proposal, the researcher prepared a letter of request to DTI Region 4A Director to acquire consent in the conduct the research work. It was reiterated that the purpose of the survey is for academic purposes only and that all gathered information will be kept confidential. Upon the endorsement of the DTI 4A Regional Director, the research started through the distribution of questionnaires via email and google form to the 388 target respondents.

### **Ethical Considerations**

Ethical considerations were practiced in the conduct of the research work to warrant that every information that will be gathered will be used for research purposes only. In this study, the researcher issued a confidentiality agreement to assure respondents that all information gathered would be treated with the utmost confidentiality to protect the public reputation of the organizations and individuals involved. Moreover, respondents were also informed of the purpose of the study, which is the development of a reference framework for OTOP program improvement related to improving sales performance.

### **Data Analysis**

Various statistical techniques were used totally, encrypting, and evaluating the documents and figures.

“Frequency distribution”, “Weighted mean”, “Pearson–Product Moment Correlation”, “Regression Analysis”, and “Analysis of Variance (ANOVA)” were all used in the data analysis.

Basically, the “Frequency distribution” method generated visual representation or illustration of collected data as shown in the firmographic profile. “Weighted mean” was used in determining the effects and/or level of agreement to identified variables and indicators. The “Pearson–Product Moment Correlation”, “Regression Analysis” and “Analysis of variance (ANOVA)” were used in establishing a correlation among variables and in the development of the framework for improving sales performance. Furthermore, all data were processed using statistical tools to explain and understand the research findings.

**RESULTS AND DISCUSSION**

**Table 2**

*Assessment on the Effect of Promotional Strategies on the Sales Performance*

Indicators	WM	VI	Rank
1. Advertising	3.31	A	3
2. Publicity	3.41	A	1
3. Direct Marketing	3.22	A	4
4. Sales Promotion	3.32	A	2
<b>Composite Mean</b>	<b>3.31</b>	<b>A</b>	

*Legend: 3.50 – 4.00 = High Effect/Strongly Agree (SA); 2.50 – 3.49 = Moderate Effect/ Agree (A); 1.50 – 2.49 = Minimal Effect/Disagree (D); 1.00 – 1.49 = No Effect/ Strongly Disagree (SD)*

With a composite mean of 3.31, Table 2 summarizes the moderate effects of promotional methods on sales performance. MSMEs recognized the numerous advantages that promotions have brought to their companies. Every time promotions are launched; they have all noticed a rise in sales revenue.

Among the indicators under promotional strategies, publicity ranked first with a mean value of 3.41. Filipinos prefer engagement and satisfaction of the senses in business transactions. As for the many OTOP MSMEs, their sales revenue had proven to improve in almost all DTI’s trade fairs and exhibits whether virtual, blended, or traditional, local or international. Following this observation, DTI’s sponsored events are frequent and continuing, as posted in their calendar of events found on the Website. Engaging strategies, according to Pokrywczynski and Brinker [22], provide stronger brand memory, more favorable evaluations, and higher buyer intent than passive approaches. With the advent of the internet and social media, entrepreneurs found a convenient way of promoting their products [23], although according

to Daniel [24], many still use promotional media such as television, radio, newspapers, and magazines to improve sales volume.

Next to publicity are sales promotion and advertising with very close mean values of 3.32 and 3.31. It was observed during OTOP trade fairs that consumers’ willingness to pay increases with various sales promotions. MSMEs promotional activities aside from the regular push selling including bonus packs and sales discounts have been proven to be effective marketing tools in boosting sales. The consistent price discount strategy practiced by big companies, stores, and supermarkets, can encourage consumers to purchase more units of the same product and it has a strong impact on store revenues and profit level.

Sales promotion tactics are tools that aim to enhance product and brand sales in a short period of time [25], by acting as a benefit to the consumer and thereby influencing consumer behavior [26]. Aliata et al. [27] discovered that sales promotions increased brand preference, which in turn increased brand performance, resulting in higher profits or performance.

The least effect was observed on direct marketing with a mean value of 3.22. For MSMEs, the channels used in direct marketing like email or other internet platforms are least traversed because of their strong belief in the power of face-to-face selling. Since they do not have powerful brands, they hold on to the fact that an excellent product experience will convince the customers to buy their products. According to Terkan [28], advertising and marketing are commercially driven with the goals of informing the public about goods and services, encouraging people to buy, establishing and preserving brands, and maximizing revenues for the company. On the contrary, Gaille [29], found that direct marketing often has very low response rates, takes up a lot of time and requires a lot of patience and consistency.

**Table 3**

*Assessment on the Effect of MSMEs’ Selling Competencies on Sales Performance*

Indicators	WM	VI	Rank
1. Prospecting	3.29	A	4
2. Competitor Awareness	3.30	A	3
3. Achievement & Motivation	3.49	A	2
4. Product Expertise	3.68	SA	1
<b>Composite Mean</b>	<b>3.44</b>	<b>A</b>	

*Legend: 3.50 – 4.00 = High Effect/Strongly Agree (SA); 2.50 – 3.49 = Moderate Effect/ Agree (A); 1.50 – 2.49 = Minimal Effect/Disagree (D); 1.00 – 1.49 = No Effect/ Strongly Disagree (SD)*

Table 3 shows that the effects of MSME’s selling competencies on sales performance are moderately visible

with a composite mean of 3.44. MSMEs believe one cannot sell the product unless, the person is not properly equipped. This they have proven several times with new buyers here and abroad. According to the National Abilities Development Cooperation (NSDC) report [30] several skills and competencies are required of salespeople in the selling process. Product knowledge, presentation skills, listening ability, objection management, persuading abilities, and interpersonal ability are the six competencies identified

Huthaifa and Megdadi [31] discovered that sales competencies had a statistically significant impact on a company's knowledge, self-mastery and regulation, teamwork, education, and competencies on generating sales revenue in the aspect of volume, innovation, proficiency, overall knowledge of sales work, and determination. Product expertise obtained the highest mean score of 3.68. For OTOP MSMEs' their first step to selling is product introduction because many of the Filipinos are still not aware of the OTOP products. They are the ones who created their products, and their mastery of the product features is excellent. Giving such information coupled with product samples and persuasion oftentimes leads to sales. Waters [32] stated that it is difficult to effectively sell to a customer if the salesperson fails to demonstrate how a certain product would meet the customer's demands.

However, achievement and motivation (3.49), competitor awareness (3.30) and prospecting (3.29) obtained the scores which are assessed to have a moderate effect. MSMEs are aware of the contribution of achievement and motivation, however, sometimes they felt that the company cannot spend for it. The weight that MSMEs give to certain skills stood the highest despite the findings of Ekundayo [33] which claimed that motivation and achievement were found to be the most important factor affecting employee performance.

On competitor awareness, they rely on exhibits, supermarkets, fairs, and seminars; and doing market research is also deemed expensive. In the Philippines, it has been observed that if one businessman had been successful in a certain product, many will follow and imitate the business. With this, MSMEs must always be on the watch to remain competitive in the market. Prospecting is a skill that needs close mentoring. To the OTOP MSMEs, this is an important skill they have to possess, however, based on interviews with a group of MSMEs, they are not highly skilled for the job. For now, DTI takes most of this prospecting aspect task. It is notable that Victor and Otiso, [34] suggested that businesses should always strive to focus on customer prospecting methods, though unfortunately, this needed skill still needs reinforcement

**Table 4**  
Assessment on the Effect of Financial Management on Sales Performance

Indicators	WM	VI	Rank
1. Financial Recording	3.78	SA	1
2. Financial Budgeting	3.62	SA	2
3. Inventory Management	3.54	SA	3
4. Financial Planning	3.46	A	4
<b>Composite Mean</b>	<b>3.60</b>	<b>SA</b>	

Legend: 3.50 – 4.00 = High Effect/Strongly Agree (SA); 2.50 – 3.49 = Moderate Effect/ Agree (A); 1.50 – 2.49 = Minimal Effect/Disagree (D); 1.00 – 1.49 = No Effect/ Strongly Disagree (SD)

Table 4 displays the summary result on the effects of financial management on sales performance with composite mean score of 3.6. MSMEs believe that a company cannot do anything without sufficient finances. It needs money to purchase its raw materials, salaries for its manpower, payment for the utilities and all activities. With this, proper financial management is suggested to be consistently practiced. Financial management is a crucial aspect of every company's management. The combined effect of financial management methods [working capital management, investment decision, and financial decision] has a moderately positive link with financial performance [35]. The indicator with the highest mean score is financial recording (3.78) The high effects were visible on financial recording because according to the MSMEs, they are very diligent in recording all their financial transactions because this makes them on top of their company. They can readily make decisions if they have records to guide them. On the contrary, Mbroh and Attom [36] found that most SMEs do not practice good accounting because of inadequate training or education and a poor understanding of its significance to the organization. Subsequently, Kirsten [37] concluded that proper documentation, planning and forecasting, capital management, tracking performance levels, and legislative compliance are all significant areas for reinforcement for small business owners.

Indicators like financial budgeting and inventory management ranked 2<sup>nd</sup> and 3<sup>rd</sup> with mean scores of 3.62 and 3.54. For the MSMEs, budgeting and inventory management go hand in hand since most of their finances are allocated for their inventory. They believe both these indicators to be important in running their business and factors in sales performance. As evidence, MSMEs precisely allocate the few financial and non-financial resources available to them. They tried their hardest to budget what they had. They agree that the profitability of the business is determined by revenue, capital, and cost [38], hence, it is inevitable to practice responsible fund utilization through efficient and effective acquisition and

utilization of money [39]. According to Kimaiyo and Ochiri, [40], for improved performance and long-term survival, a company must be aware of its supply chain management to continue to exist and be effective in meeting the demands of their markets. Similar to the results of Anos et al. [21], there is a substantial association between the sales performance of the MSMEs in the avenues of recording, budgeting, and inventory management.

Least /moderate effect was seen on financial planning with mean score of 3.46. According to the MSME group, MSMEs in the Philippines agree that financial planning has impact on sales performance. However, MSMEs are born dreamers and innovators and not finance persons. They need to transform into one finance expert in-order to run the business well. Unlike big companies who have 5- year plans, MSMEs practice short term planning. Their financial plans can be a short as one month to three months. This is attributed to limited resources and the market.

**Table 5**

*Difference of Responses on Effect of Promotional Strategies on the Sales Performance When Grouped According to Profile*

<b>Business Location</b>	<b>U / <math>\lambda^2_c</math></b>	<b>p-value</b>	<b>I</b>
Advertising	33.56	0.000	HS
Publicity	65.772	0.000	HS
Direct Marketing	28.613	0.000	HS
Sales Promotion	75.664	0.000	HS
<b>Business classification</b>			
Advertising	24.551	0.000	HS
Publicity	4.591	0.101	NS
Direct Marketing	10.642	0.005	HS
Sales Promotion	3.677	0.159	NS
<b>Number of Years assisted by DTI's OTOP</b>			
Advertising	24.472	0.000	HS
Publicity	19.201	0.001	HS
Direct Marketing	2.284	0.684	NS
Sales Promotion	9.233	0.056	NS
<b>OTOP Product category</b>			
Advertising	60.115	0.000	HS
Publicity	48.796	0.000	HS
Direct Marketing	86.015	0.000	HS
Sales Promotion	46.754	0.000	HS
<b>Most preferred target audience</b>			
Advertising	34.173	0.000	HS
Publicity	40.09	0.000	HS
Direct Marketing	48.534	0.000	HS
Sales Promotion	97.334	0.000	HS

*Legend: Significant at p-value < 0.05*

*Interpretation (I): Highly Significant (HS); Not Significant (NS)*

The comparison of responses on the effects of promotional methods on sales performance are categorized by business profile as shown on Table 5. The reported p-values were below 0.05 alpha level, indicating a

considerable difference when grouped by business location, OTOP product category, and most favored target audience. This indicates that the replies are statistically different from the post hoc test. The results were shown to be stronger on businesses based in Rizal, with a microbusiness size, OTOP assistance for 1 to 3 years, OTOP products of fashion wearables and others, and preferred target audiences of consumers, retailers, wholesalers, and others.

The MSMEs' varied assessments of the impact of promotional methods on sales performance can be related to differences in the MSMEs' business locations, OTOP product categories, chosen target audience, and business classification in terms of advertising and direct marketing, as well as the number of years the MSMEs have been assisted by DTI's OTOP in the areas of advertising and publicity. To cite an example on business location, Rizal Province aside from being a first-class province, was also named as the Philippines' most competitive province. Hence, as a neighboring province of Metro Manila, it is an ideal location for investments, business establishments, and settlements. This is based on an indicator that compared the economic vitality, efficiency, and infrastructure of municipal governments. Its proximity to the center of trade which is Manila makes it the most favored location to generate sales, although Cavite and Laguna have been also identified as industrialized zones. Firms or businesses, according to location theory, evaluate where and why economic activities occur to optimize benefits. As a result, in most situations, the outcomes of small or big surveys have been used to evaluate suitable locations for starting a new firm [41].

The varying products that originate from these provinces also account to the varied assessments. It should be noted that specific products are carried and promoted thru the OTOP programs. These include bamboo, garments, shoes and slippers from Rizal, processed foods, wearables and gifts, handicrafts and holiday decors from Laguna, coconut products from Quezon, coffee and other industry of Cavite, and processed food including coffee and cacao, home style and wearables from Batangas.

As to business classification, there was also a significant difference on advertising (p = 0.000) and direct marketing (p = 0.005) because the obtained p-values were less than 0.05 alpha level. This indicates that the responses vary significantly, and this was observed on those business sizes categorized as micro enterprises. While, DTI runs the same program for all MSMEs in different categories as micro, small, and medium, the micro-entrepreneurs disclosed significantly varied responses. This suggests that the access and effects of DTI's program vary not only for its business size but factors like product and location differ

Lastly, there was also a significant difference on advertising ( $p = 0.000$ ) and publicity ( $p = 0.001$ ) when grouped according to the number of years assisted by OTOP. Based on the post hoc test conducted, the significant difference lies in those assisted for 1 to 3 years which are new, energetic, and aggressive to learn, adapt and grow. Nowadays, changes in the advertising industry have become inevitable. Conventional methods have been gradually replaced by digital platforms. But despite the different methods used by businesses, traditional and online advertisements are considered both effective ways to reach clients although digital is developing at a faster rate and offers more opportunities.

**Table 6**

*Difference of Responses on Effect Of MSMEs' Selling Competencies On Sales Performance When Grouped According to Profile*

Business Location	U / $\chi^2_c$	p-value	I
Prospecting	52.529	0.000	HS
Competitor Awareness	66.105	0.000	HS
Achievement and Motivation	100.316	0.000	HS
Product Expertise	119.984	0.000	HS
<b>Business classification</b>			
Prospecting	8.497	0.014	HS
Competitor Awareness	10.814	0.004	HS
Achievement and Motivation	3.000	0.223	NS
Product Expertise	0.422	0.810	NS
<b>Number of Years assisted by DTI's OTOP</b>			
Prospecting	52.066	0.000	HS
Competitor Awareness	14.327	0.006	HS
Achievement and Motivation	12.9	0.012	HS
Product Expertise	27.825	0.000	HS
<b>OTOP Product category</b>			
Prospecting	108.879	0.000	HS
Competitor Awareness	55.572	0.000	HS
Achievement and Motivation	17.574	0.129	NS
Product Expertise	43.032	0.000	HS
<b>Most preferred target audience</b>			
Prospecting	49.59	0.000	HS
Competitor Awareness	35.183	0.000	HS
Achievement and Motivation	105.053	0.000	HS
Product Expertise	105.177	0.000	HS

Legend: Significant at  $p$ -value  $< 0.05$

Interpretation (I): Highly Significant (HS); Not Significant (NS)

Table 6 presents the comparison of responses on the effects of MSME's selling competencies on sales performance when grouped according to profile. It was observed that there was a significant difference when grouped according to a business location, the number of years assisted by OTOP and the most preferred target audience since the obtained  $p$ -values were all less than 0.05 alpha level.

This means that the responses differ statistically and from the post hoc test conducted, it was found out that the effects were greater on business located in Rizal,

assisted by OTOP for 1 to 3 years and with preferred target audience of consumers, retailers, wholesalers, others.

Since MSME's selling competencies vary according to the province where the enterprise is located, its differing characteristics considering prospecting, competitor awareness, achievement and motivation and product expertise also become evident. As mentioned by Kotler and Armstrong [42], choosing the right business location is one of the techniques employed to respond to market and internal factors. As such, where the MSMEs are located, the level of awareness on business competitors and the level of achievement and motivation also show varying degrees. In most cases, there are more competitors in highly progressive towns or cities than in their less urbanized counterpart. Moreover, MSME's different levels of product expertise may be considered a huge differentiator in their sales process.

Considering the micro enterprises which are under OTOP from one to three years, significant effect on sales performance was made by MSMEs' selling competencies. The findings suggest that the selling skills of these young MSMEs in Prospecting and Competitor Awareness are fitting with the OTOP program thereby having a significant effect on sales performance. On the other hand, Achievement and Motivation and Product Expertise do not play significant effects. The enumerated OTOP products from CALABARZON or Region 4A are for use by direct consumers, distributed by retailers and wholesalers, but can also be popular to companies and associations as gifts. Based on findings, a significant impact on sales performance was brought about by competencies like prospecting, competitor awareness and product expertise while achievement and motivation posted no significant effect.

In terms of the varied preferred target audience of the enterprises, notable differences are likewise apparent. This holds true since varied products are offered to diverse customers based on their potential interest in the product. In addition, varied target audience.

With regards to business classification, there was also a significant difference on prospecting ( $p = 0.014$ ) and competitor awareness ( $p = 0.005$ ) because the obtained  $p$ -values were less than 0.05 alpha level. This indicates that the responses vary significantly, and this was observed on those business sizes categorized as micro enterprises. Meanwhile, no differences are found in terms of achievement and motivation and product expertise, which implies comparability in responses. Specifically, this means that regardless of business classification, they have similar level of achievement and motivation and product expertise. Identified source of differing responses is accorded to business prospecting. Since MSMEs from the

five provinces utilize varied methods in finding prospects for their products, it follows that they incorporate a range of marketing tactics as well. As emphasized by Victor and Otiso [34] that customer prospecting gives a beneficial effect on sales performance, businesses, therefore, try to perform customer prospecting methods.

There was also significant difference on prospecting ( $p = 0.000$ ), competitor awareness ( $p = 0.000$ ) and product expertise ( $p = 0.000$ ) when grouped according to OTOP product category. Based on the post hoc test conducted, a significant difference lies in those whose products are fashion wearables and others. Since each town offers a unique product while considering the different places of the product's origin, it is expected that there are varied methods used by enterprises in terms of devising prospecting programs, enhancing their product expertise and knowing business competitors. One way of addressing industry issues, according to Adom, et.al. [43] is understanding and learning from competitors since companies who pay attention to their competitors' actions tend to perform better.

**Table 7**

*Difference of Responses on Effect of Financial Management on Sales Performance When Grouped According to Profile*

<b>Business Location</b>	<b>U / <math>\chi^2_c</math></b>	<b>p-value</b>	<b>I</b>
Financial Recording	23.992	0.000	HS
Financial Budgeting	94.43	0.000	HS
Inventory Management	120.433	0.000	HS
Financial Planning	83.538	0.000	HS
<b>Business classification</b>			
Financial Recording	6.738	0.034	HS
Financial Budgeting	20.708	0.000	HS
Inventory Management	5.045	0.080	NS
Financial Planning	5.503	0.064	NS
<b>Number of Years assisted by DTI's OTOP</b>			
Financial Recording	20.662	0.000	HS
Financial Budgeting	17.861	0.001	HS
Inventory Management	15.563	0.004	HS
Financial Planning	28.888	0.000	HS
<b>OTOP Product category</b>			
Financial Recording	83.555	0.000	HS
Financial Budgeting	91.998	0.000	HS
Inventory Management	82.578	0.000	HS
Financial Planning	73.51	0.000	HS
<b>Most preferred target audience</b>			
Financial Recording	91.52	0.000	HS
Financial Budgeting	105.349	0.000	HS
Inventory Management	103.133	0.000	HS
Financial Planning	134.534	0.000	HS

*Legend: Significant at  $p$ -value < 0.05*

*Interpretation (I): Highly Significant (HS); Not Significant (NS)*

The comparison of responses on the effects of financial management on sales performance when grouped according to profile is shown in Table 7.

Because the derived p-values were all less than 0.05 alpha level, there was a significant difference when classified according to the business location, number of years assisted by OTOP, OTOP product category, and most chosen target audience. This indicates that the replies differ statistically, and the post hoc test revealed that the 1 to 3 years, with OTOP products such as fashion wearables and others, and desired target audiences such as consumers, retailers, wholesalers, and others, have an impact.

While the responses abovementioned differ substantially may be attributed to the fact that MSMEs organization is very lean and the owner plays a lot of roles including finance officer, wherein, most of the time, is not his/her expertise. Financial expertise is developed thru DTI's training which varies in frequency per province, consulting with colleagues who are longer in the business or as OTOPrenuers, benchmarking with competition or industry or customer standards. Anos et al. [21] highlighted the fact that MSMEs in the Philippines do not follow generally accepted norms for financial management and control of their businesses thus, posing certain dangers to their long-term viability. Another reason for the varied responses can be accounted for by the different financial management methods used by the MSMEs and which has been underscored in the findings of Adda [11].

The facets of financial recording, budgeting, planning, and managing the inventory are found to have variations due to MSMEs' category of products supported by the OTOP program and their preferred target consumers. Since enterprises are categorized in different levels as micro, small and medium, the respondents have also assessed the effects of financial management on sales performance in varied viewpoints. One of which is on financial budgeting where these enterprises may have applied different management methods. Specifically on product category, different types of budgeting, planning and budgeting are practiced because raw materials and finished goods have different shelf-life, come from different parts of the region or the world and have different packing, storage and customer requirements. It is strongly recommended by Kimunguyi et al. [44] and Warue and Wanjira [45], the implementation of strong budget management methods in a beneficial way because the lack of planning and financial control resulted in poor performance.

In terms of business classification, there was also a significant difference in financial recording ( $p = 0.034$ ) and financial budgeting ( $p = 0.000$ ) because the obtained p-values were less than 0.05 alpha level. This indicates that the responses vary significantly, and this was observed in those business sizes categorized as micro. However, in the aspects of inventory management and financial planning,

no differences were reflected based on business classification. MSMEs specifically the micro entrepreneurs value financial recording and budgeting because of their limited capital. They would like to be on top and be the first to know if there is appropriate funding or outside funding is needed. However, while keeping financial data organized plays an important part of running a successful company, most small and medium entrepreneurs do not comply with the basic bookkeeping and this is attributed to their poor awareness and education [21].

**Table 8**

*Relationship Between the Effect of Promotional Strategies and Effect of MSMEs' Selling Competencies On Sales Performance*

<b>Advertising</b>	<b>rho-value</b>	<b>p-value</b>	<b>I</b>
Prospecting	.481**	0.000	HS
Competitor Awareness	.533**	0.000	HS
Achievement and Motivation	.364**	0.000	HS
Product Expertise	.444**	0.000	HS
<b>Publicity</b>			
Prospecting	.630**	0.000	HS
Competitor Awareness	.682**	0.000	HS
Achievement and Motivation	.587**	0.000	HS
Product Expertise	.696**	0.000	HS
<b>Direct Marketing</b>			
Prospecting	.463**	0.000	HS
Competitor Awareness	.370**	0.000	HS
Achievement and Motivation	.238**	0.000	HS
Product Expertise	0.105	0.067	NS
<b>Sales Promotion</b>			
Prospecting	.296**	0.000	HS
Competitor Awareness	.584**	0.000	HS
Achievement and Motivation	.677**	0.000	HS
Product Expertise	.581**	0.000	HS

*Legend: Significant at p-value < 0.05*

*Interpretation (I): Highly Significant (HS); Not Significant (NS)*

The relationship between the effects of promotional strategies and the effects of MSME's selling competencies on sales performance is shown in Table 8.

Except for product expertise when correlated to direct marketing, the computed rho-values show a moderate direct association, and the resulting p-values were all less than 0.01 alpha level. As a result, there is a substantial link, implying that selling competencies influenced promotional strategies. Furthermore, the better the effects on promotional strategies, the better the selling competencies. Enterprises using effective and creative promotional strategies will more likely be competent in terms of product selling, thus affecting sales performance.

Several research revealed similarities in the findings of this current study. To name a few, Aliata et al. [27] recorded the significant link between sales promotion and sales performance, although the findings failed to demonstrate how sales promotion methods can

boost sales performance. Huthaifa and Megdadi [31] also discovered that the sales competence dimensions had a positive statistical impact on the sales revenue generation. Meanwhile, it is surprising to note that direct marketing as one dimension of promotional strategies did not show the effect on the selling competencies in terms of product expertise.

**Table 9**

*Relationship Between the Effect of Promotional Strategies and Effect Of Financial Management On Sales Performance*

<b>Advertising</b>	<b>rho-value</b>	<b>p-value</b>	<b>I</b>
Financial Recording	.219**	0.000	HS
Financial Budgeting	.351**	0.000	HS
Inventory Management	.324**	0.000	HS
Financial Management	.428**	0.000	HS
<b>Publicity</b>			
Financial Recording	.299**	0.000	HS
Financial Budgeting	.361**	0.000	HS
Inventory Management	.482**	0.000	HS
Financial Planning	.613**	0.000	HS
<b>Direct Marketing</b>			
Financial Recording	.137*	0.016	HS
Financial Budgeting	0.078	0.171	NS
Inventory Management	.150**	0.009	HS
Financial Planning	.273**	0.000	HS
<b>Sales Promotion</b>			
Financial Recording	.352**	0.000	HS
Financial Budgeting	.569**	0.000	HS
Inventory Management	.618**	0.000	HS
Financial Planning	.688**	0.000	HS

*Legend: Significant at p-value < 0.01*

*Interpretation (I): Highly Significant (HS); Not Significant (NS)*

The relationship between the effects of promotional methods and the effects of financial management on sales performance is shown in Table 9. It revealed that obtained rho-values stipulate moderate direct correlation and the resulting p-values were all less than 0.01 alpha level, with the exemption of financial budgeting when correlated to direct marketing. Thus, a significant relationship exists between the variables which imply that the promotional strategies greatly affect the enterprise's financial management. Furthermore, the more effective the promotional strategies, the better the level of financial management.

Advertising, publicity, direct marketing, and sales promotion as indicators of promotional strategy proved their effect on the status of financial management in the many studies undertaken by various researchers. More specifically, it was found that cash management procedures, capital budgeting practices, financing practices have a fairly good association with financial

performance. However, according to Kirsten [37], small business owners necessitate training in significant areas, namely: keeping of records, profit analysis, budget, performance evaluation, and government mandatories. More so, a lack of planning and financial control resulted in a poor performance [45].

It is interesting to note that in this study, direct marketing as one promotional strategy posed no influence on the MSMEs' financial management in terms of budgeting. This may be so because email marketing and house to house selling are not included in regular practices. Generally, Hayes [46] noted that promotional budgets are typically forecasted to respond to the critical costs associated with establishing a business or sustaining a brand name. As a result, to continue the growth pace, the budget is often set according to a percentage of sales or profits for an established business and a certain percentage of startup costs or funds in the case of startups. It can be said that the effect of a sound promotional strategy may bring about a well-managed finances for the micro, small and medium based enterprises in the region

relationship exists and implies that the selling competencies have an effect on the MSME's financial management. This implies that the more effective their selling competencies, the better the performance in financial management.

Financial management, as cited by Nthenge and Ringera [35], is considered a crucial aspect of every company's management. The combined effect of financial management methods such as working capital management, investment decision, and a financial decision has shown a moderately positive link with financial performance. In promoting the growth of their businesses, Adda [11] contends that SMEs need to strengthen their financial management methods. According to the findings, SMEs should start with basic financial competencies to be able to timely decisions for the business to sustain oneself. Moreover, according to Suhardiyah, et al. [47], production technology, product improvement, and marketing strategy were found to have a dominant influence on the increased sales volume of SMEs. However, Agyei-Mensah [39] found out that irresponsible finance management is a major cause of business venture failures. The desired goals of financial management serve as the basis for evaluating and comparing the efficiency and effectiveness of financial management. Consequently, when SMEs' financial skills are incompetent, the probability of non-survival will be medium to long term. Organizations, as cited by Ogbo, et al. [48], must maintain a flexible inventory service to meet all organizational performance goals.

By and large, the effectiveness of the MSMEs' selling competencies may contribute to a highly managed finances for the micro, small and medium based enterprises in the selected provinces of region 4A.

Multiple Linear Regression analysis was used to investigate the hypothesis that the effects of promotional strategies, MSME' selling competencies and financial management are predictors of sales performance. The findings revealed that the three variables have a significant positive association,  $p < 0.01$ . The independent variables (promotional strategies, selling competencies and financial management), together, predict the outcome of the dependent variable (sales performance). To confirm the results of the regression analysis, a partial correlation was also made to determine the relationship between financial management and promotional strategies whilst controlling for selling competencies. According to the results, there was a moderate, positive partial correlation between financial management (3.5975 ± 0.36006) and promotional strategies (3.3129 ± 0.32359) whilst selling competencies (3.4389 ± 0.32654), which was statistically significant,  $r(303) = 0.115$ ,  $N = 306$ ,  $p = .045$ .

**Table 10**

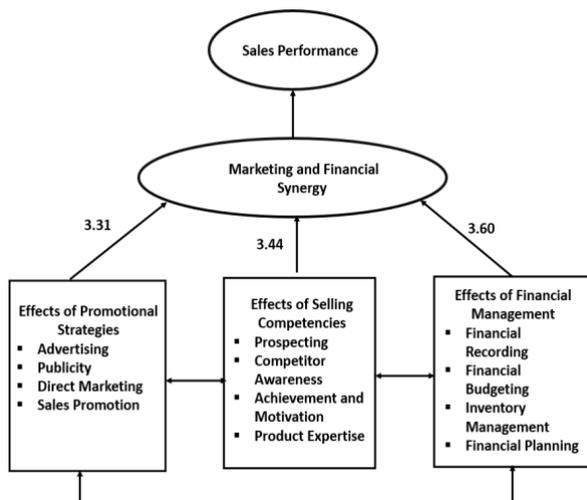
*Relationship Between the and Effect of MSMEs' Selling Competencies and Effect of Financial Management on Sales Performance*

Advertising	rho-value	p-value	I
Financial Recording	.191**	0.001	S
Financial Budgeting	.118*	0.038	S
Inventory Management	.169**	0.003	S
Financial Planning	.278**	0.000	HS
<b>Publicity</b>			
Financial Recording	.451**	0.000	HS
Financial Budgeting	.514**	0.000	HS
Inventory Management	.541**	0.000	HS
Financial Planning	.612**	0.000	HS
<b>Direct Marketing</b>			
Financial Recording	.339**	0.000	HS
Financial Budgeting	.540**	0.000	HS
Inventory Management	.508**	0.000	HS
Financial Planning	.578**	0.000	HS
<b>Sales Promotion</b>			
Financial Recording	.342**	0.000	HS
Financial Budgeting	.499**	0.000	HS
Inventory Management	.630**	0.000	HS
Financial Planning	.619**	0.000	HS

Legend: Significant at  $p$ -value < 0.01

Interpretation (I): Highly Significant (HS); Significant (S)

Table 10 shows the relationship between MSME selling competencies and financial management's impact on sales performance. The obtained rho-values indicated a moderate direct connection, and all the resulting p-values were less than 0.01 alpha level. Thus, a significant



**Figure 1.** Proposed Framework for Continuous Improvement on the Sales Performance of DTI-OTOP assisted MSMEs

However, zero-order correlations showed that there was a statistically, moderate positive correlation between financial management and promotional strategies ( $r(304) = 0.539, n = 306, p < .000$ ), indicating the selling competencies has a moderate influence in controlling for the relationship between financial management and promotional strategies.

With the two different statistical treatments done to come up with the framework, it can therefore be said that the effect of promotional strategies is directly related to the effect of MSMEs' selling competencies and the effect of financial management on sales performance. Further, the framework also depicts a direct link on the effect of MSMEs' selling competencies in the effects of promotional strategies and financial management. It illustrated the direct relationship of financial management to promotional strategies and selling competencies. Subsequently, the model showed that promotional strategies, selling competencies and financial management influence sales performance, with promotional strategies having the least mean score while financial management garnered the highest mean score. This implies that there is still big room for improvement when it comes to promotional strategies while constant updating of skills in financial management will maintain its high effect on sales performance. To sum it up, this derived framework presented that the three (3) independent variables are interrelated and are recommended to be executed in synchrony to deliver good sales performance.

The proposed framework inferred integration of three (3) variables to a variable termed as marketing and financial management synergy. Referring to the figure above, it can be noted that both variables under marketing have lower mean score values versus financial management. It connotes that there is more opportunity for growth in this area. In addition, the combined execution of these two variables will have a greater impact on sales revenue.

This new variable on synergy is deemed important to MSMEs because it opens opportunities for them to further improve their sales performance. This combined approach will yield greater results than the sum of the separate variables. Furthermore, because implementing teams will be made up of people with multidisciplinary skills and expertise, this synergy variable may result in other positive outcomes, such as improved personal skills and teamwork.

In the study, the MSMEs used in the explanation of the framework are the provinces in region 4A which are listed under DTI's OTOP program. The proposed framework by the researcher is based on mathematical analysis, literature review, expert opinion, and thought of the previous researchers. This proposed framework will become a new theory in the correlation of variables which is supported by empirical research.

## CONCLUSION

The findings of this study on the effect of promotional strategies, selling competencies and financial management to the sales performance of One Town One Product (OTOP) assisted MSMEs in the CALABARZON region, derived the following conclusions: DTI's and MSMEs promotional mix strategies like advertising, publicity, direct marketing, and sales promotion have positive significant effects on the sales performance.

A high extent of the agreement was accorded by MSMEs' on the positive effects of selling competencies like prospecting, competitor awareness, achievement and motivation and product expertise on improving sales performance. The sales performance of MSMEs is highly influenced by financial management capabilities like Financial Recording, Financial Budgeting, Inventory Management and Financial planning.

There are significant differences in the effect of promotional strategies, the effect of MSMEs' selling competencies and the effect of financial management on sales performance in terms of a business profile. A moderate relationship exists between the effect of promotional strategies and MSMEs' selling competencies, between promotional strategies and selling competencies,

and between selling competencies and financial management on sales performance. The suggested framework for continuous improvement on the sales performance of DTI-OTOP assisted MSME's depicts direct correlation of sales performance with promotional strategies, MSMEs' selling competencies and financial management. Further, it also illustrated a direct link on the effects of promotional strategies, MSMEs' selling competencies and financial management. The interrelationship of these independent variables can be summed up into a variable termed as marketing and financial synergy.

## RECOMMENDATIONS

DTI in collaboration with MSMEs may explore the following promotional strategies: a) development of OTOP Logo as a strong quality brand marking of MSME products to grab attention, make strong product impression on quality and authenticity, influence visibility of MSME products in the big market arena and build positive brand equity; b) combine media (television, radio and print), e-commerce platform and face to face exhibition for maximum product exposure; c) one industry one celebrity endorser for product recall; d) timely and frequent text blasts of all events for awareness; and, e) campaign to appeal to the hearts of every Filipino by highlighting the benefits to the economy and the country of buying OTOP products .

DTI may consider inclusion of a more in-dept marketing plan development/ workshop in the OTOP seminars. Marketing plans reinforce the selling skills because it will define the market, target customers, competition, product's unique selling proposition and strategies on how to sell the product. Further, DTI and MSMEs may opt to evaluate the trainings they have done and identify other selling skills that need training and/ or reinforcement.

DTI may opt to introduce a finance app that will make agile the planning, budgeting, recording, inventory management and pricing requirements. It can support the ability of MSMEs to respond quickly to new market opportunities or threats and achieve its financial goals. DTI may opt to provide more opportunities in generating sales revenue among the OTOP industries, business location and classification by opening a virtual supermarket nationwide with the current strategically located 46 OTOP Hubs as pick-up and delivery points. Issuance of virtual supermarket coupons can also be explored to encourage repeat sales.

DTI may opt to conduct and validate the result of the study in other Philippine regions. DTI and MSMEs may explore other variables related to sales performance

under promotional strategies, selling competencies and financial management like product quality, availability, brand equity and others. DTI may conduct research on a comparative evaluation of best practices in marketing and financial management of top big companies and application to MSMEs and its target markets. DTI may study the different sales performance models used by MSMEs under OTOP in other Asian countries. Future study may focus on the probability of having a competition among MSMEs who can present business models that have been proven to improve sales performance.

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